

**COLLECTION ESCROW INSTRUCTIONS**

**AND ESCROW DEPOSITORY**

TO: CTC Escrow Co., Inc., ORIGINATING OFFICE:

dba Cascade Escrow

811 Willamette Street

P. O. Box 1476 CLOSING ESCROW NO:

Eugene, Oregon 97440

(541) 685-1298

(hereinafter "Cascade" and/or "You")

RE: Your Collection

 Escrow File No:

JAMES C. GIBSON 94913 TOFTDAHL ROAD JUNCTION CITY, OR 97448

LISA DAWN GIBSON

FROM THE UNDERSIGNED (ALL JOINTLY AND SEVERALLY)

 BORROWERS/PAYORS: TELEPHONE NO: TAX ID. NO.:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |
| 2). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |
| 3). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |
| 4). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |

AND THE UNDERSIGNED (ALL JOINTLY AND SEVERALLY)

 LENDERS/PAYEES: TELEPHONE NO: TAX ID. NO.:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1). |       |  |   |  |   |
|  Address: |       | Percentage: |   |
|  |  |  |  |  |  |
| 2). |       |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |
| 3). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |
| 4). |   |  |   |  |   |
|  Address: |   | Percentage: |   |
|  |  |  |  |  |  |

NOTE: The parties social security or tax identification number are required to be provided in order to facilitate required reporting to the United States Department of Treasury both interest paid and received by the principals to this collection escrow. You are authorized to provide said information.

NOTE: You are required by law to provide your escrow agent with your correct taxpayer identification number for tax reporting purposes. By completing and signing this form, you are certifying, under penalty of perjury, that the taxpayer identification number shown on this statement is correct.

Cascade is authorized to charge all fees as set forth hereinafter which are to be paid by the parties hereto as indicated:

 PAYOR PAYEE

|  |  |  |
| --- | --- | --- |
| [ ]  Set-up fee:  | $       | $       |
| [ ] Installment fee:  | $       | $       |

A close out fee in the amount of $125.00 will be paid by [ ] Payor [ ] Payee [ ] Split (if none indicated then by Payor) at the time of final payment or when this file is otherwise closed out. Documents deposited herewith will not be released until fee is paid.

The undersigned Payors and Payees hereby delivers to Cascade, the following documents which Cascade is authorized and directed to release to the Payor, or Payor's successors and assigns, upon payment of the unpaid balance of this collection escrow account:

[ ]  Note, Trust Deed and Request for Full Reconveyance;

[ ]  Note, Mortgage and Satisfaction of Mortgage;

[ ]  Land Sale Contract and Fulfillment Deed;

[ ]  Manufactured Structure Security Interest Change;

[ ]  Security Agreement;

[ ]  Note;

[ ]  Other:       ;

[ ]  No documents.

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The unpaid balance and payment terms of this collection escrow account are:

Present unpaid principal balance: $      .

To be paid in        installments of $   ,

[ ] plus [ ] including interest at the rate of        percent per annum on the unpaid balance.

Interest begins on        .

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Interest is computed from date of payment to next date of payment unless here indicated otherwise:

[ ]  Compute interest on a thirty day month.

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The first installment is due on       , and subsequent installments are due on or before

       until the entire principal balance and unpaid interest is paid in full.

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Prepayments are allowed without restriction unless here indicated. [ ]  Yes, there are prepayment restrictions, they

are:

There is no late fee unless here indicated. [ ] Yes, there is a late fee, it is:

There is no "Due in Full" date unless here indicated. [ ]  Yes, there is a "Due in Full Date", it is:

Consent by Payee is required for assignment by Payor unless here indicated.

[ ]  No, consent by Payee is not required for assignment by Payor.

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Regarding the following please check as applicable:

TAXES AND INSURANCE: No record of taxes or insurance paid is to be maintained or audited by Cascade

unless instructed below:

Beginning with the Tax Year       , in        County, for the following tax account no(s):

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   |  |   |   |   |   |   |   |

[ ]  Tax Reserve and [ ]  Insurance Reserve: Payor will remit a monthly sum equal to 1/12th of the annual property taxes and the annual insurance premium, as indicated above, the initial amount is $       per month. Said amount will be deposited into a non-interest bearing reserve account maintained by Cascade to be disbursed by Cascade annually, as applicable, on or before November 15th, in payment of the property taxes, and annually on       , in payment of the insurance. In the event the reserve account is insufficient to pay the property taxes and insurance, as applicable, in full the Payor will immediately bring in the amount necessary to do so. Excess funds will be disbursed as Payor and Payee jointly instruct. Upon notice to Cascade to adjust payments, the monthly payments to reserve(s) will be adjusted by 1/12th of the increase or decrease in the annual property taxes and insurance as applicable. The annual fee paid to Cascade for this service is $95.00 for either a Tax OR Insurance Reserve, and $125.00 for BOTH a Tax and Insurance Reserve, and is to be paid from the reserve account.

[ ]  No Hold Tax Reserve and [ ]  No Hold Insurance Reserve: Payor will remit monthly a sum equal to 1/12th of the annual property taxes and the annual insurance premium, as indicated above; the initial amount is $       per month. Said amount will not be applied toward the principal balance, but will be disbursed directly to the Payee unless here indicated otherwise:

(Disburse to:      Please indicate Name, Address and Account Number).

The Payor did (not [ ] ) purchase Payees existing reserve account at      ,

at the time of closing. Upon notice to Cascade to adjust payments, the monthly payments to reserve(s) will be adjusted by 1/12th of the increase or decrease in the annual property taxes and insurance as applicable. Payee will submit to Payor each year evidence that the taxes and insurance, as applicable, have been paid. The monthly fee for this service is $8.00 and will be paid by Payor or [ ]  Payee.

[ ]  Tax Addback and [ ]  Insurance Addback: Payor will remit monthly a sum equal to 1/12th of the annual property taxes and insurance, as indicated above; the initial amount is $       per month. Said amount will be applied towards the principal balance. Payee will submit to Cascade each year evidence that the property taxes and insurance, as applicable, have been paid and Cascade will as of the date of such receipt add the sum paid back to the unpaid principal balance. Upon notice to Cascade to adjust payments, the monthly payments will be adjusted by 1/12th of the increase or decrease in the annual property taxes and insurance as applicable. The annual fee paid to Cascade for this service is $95.00 and is to be paid by Payor or [ ]  Payee.

Payor and Payee agree that any tax, insurance, security deposit or similar reserve (which may constitute a “lender’s security protection provision” as defined in ORS 86.205(5)) maintained by Cascade Escrow as provided for in these instructions and any charge by Cascade Escrow for maintaining that reserve is by mutual agreement, is not a condition to the loan that is the subject of this escrow and will not earn interest.

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Type in Special Instructions, if any:

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Disposition to be made by Cascade of proceeds of payments received:

A. Deduct monthly collection fee(s) from gross payment received as set forth above.

B. Pay        to

 Address:        Acct:       .

C. Pay        to

 Address:        Acct:       .

D. Pay        to

 Address:        Acct:       .

E. Pay        to

 Address:        Acct:       .

F. Any funds received in addition to the monthly payment set forth above, including prepayments, balloon payments and payoffs, shall be disbursed as follows:

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(1) You have the right to withhold disbursement of funds until any check received by you clears. Payment disbursement, unless payment is

 received as a cashiers check, may be held for five (5) banking days (in-state checks) and ten (10) banking days (out-of-state checks); with

 interest accruing to date of disbursement. Absent gross error or bad faith, your ledger or accounting of balances due hereunder shall control

 for all purposes. You may impose a charge of $35.00, plus any costs or expenses incurred by you, imposed by you for any check which is

 dishonored for any reason. The amount of the charge, costs and expenses may be deducted from the next payment received, if not paid prior

 to that time. Payor shall immediately pay such charges, costs and expenses to you and deposit good funds in the amount of the dishonored

 check. If Payor fails to do so, Payee shall immediately pay to you such charges, costs and expenses, and the amount of the dishonored check.

 The unpaid balance due hereunder shall be increased by the amount of the dishonored check until paid by Payor. You do not owe interest to

 any party on any funds held by you pending disbursement.

(2) If these instructions refer to an encumbrance, the balance of which is being computed by any other party, you shall not be bound to keep a

 record of said balance and it shall be the duty of the Payor and Payee to advise you of said balance. Unless you have accepted

 contemporaneous written instructions to the contrary, you are not responsible for any overpayments made to Payee, shortages owing to any

 underlying encumbrance, or the like, which may arise through these instructions. If these instructions provide for payment to be made on any

 such underlying encumbrance, any partial prepayment shall be applied toward such encumbrance unless you have accepted prior written

 instructions to the contrary. When you receive for the Payee payment in full due hereunder, you are authorized and instructed to secure from

 the holder of said underlying encumbrance a payoff letter and to apply payment received by you toward such encumbrance in accordance

 with the payoff letter, sending the balance of the funds, if any, to the Payee. You may add to each payoff your fee of $125.00, and pay the

 same to you, for securing said payoff letter and remitting said sum.

(3) Upon written notice signed by a party hereto that such party's interest has been transferred and upon payment of your transfer fee of $150.00,

 you shall change your records as directed. The heirs, executors, administrators, successors and assigns of the parties shall be bound by these

 instructions and you may require them to sign these instructions or any other documents you deem necessary.

(4) You have no duty to send a delinquency or any other notice to any party, and you have no duty to perform any other duties, unless you

 specifically agree to do so in writing. Specifically, but not by way of limitation, you have no duty to know or determine the performance or

 nonperformance of any obligation by any party and you have no responsibility for the authenticity, validity, sufficiency, or accuracy of any

 document deposited with you.

(5) All payments received shall be first applied to your fees, then to the reserve account, if any, then to accrued interest on the number of elapsed

 days and then to principal. Any prepayment shall be applied as set forth in the preceding sentence, unless the undersigneds and you otherwise

 agree in writing. Unless otherwise provided herein, you may accept whole or partial prepayments at any time.

(6) You may process any payments tendered to you whether it is all or any part of an installment, even if insufficient to pay underlying

 obligations, and whether or not a delinquency exists or is created, unless you receive written instructions prior to the receipt of the payment

 from the Payee to close the escrow due to default.

(7) You have no responsibility for procurement, execution, or delivery of any documents upon completion of payments or otherwise, unless duly

 deposited with you with written instructions signed by the undersigneds.

(8) You have no duty to enforce compliance of the documents deposited with you and you have no duty to advise the parties as to their rights or

 proper handling of their interests under such documents. You are a neutral depository whose sole function is to follow the written

 instructions. Your only obligations shall be to hold the documents and collect and disburse moneys deposited with you as directed in these

 instructions or such other written instructions signed by the undersigneds, which are accepted by you in writing.

(9) If you are involved in any controversy regarding this escrow, you may await the outcome of such controversy by final legal proceedings, or

 otherwise as you may deem appropriate, or you may institute such interpleader or other proceedings, as you may deem proper, and in such

 events you shall not be liable for interest or damages. The undersigneds, jointly and severally, shall pay your reasonable costs and attorney’s

 fees incurred in connection with any interpleader you institute or any appeal thereof.

(10) You may terminate this escrow and release the documents to whom directed upon written notice of the undersigneds, or upon written

 demand of the Payee, or either of them, in the event any payment is 45 days or more past due. The payment of any installment directly to the

 Payee or the existence of any offset, counterclaim, or difference as between the parties hereto or the acceptance of previous delinquent

 installments shall not alter or limit the terms of these instructions. When you have received for the Payee payment in full as provided herein,

 you will surrender the documents deposited with you, other than any land sale contract or assignment thereof, to the Payors or either of them

 upon demand, and you will surrender any land sale contract or assignment thereof to the Payees or either of them upon demand; but until you

 have received payment in full or Payor becomes in default in the manner and to the extent provided herein, none of such documents shall be

 released by you to any person except as provided herein, upon court order, or upon the written directions of the undersigneds or their

 successors in interest. You have the right to sell and assign this escrow account to another escrow company or to close this escrow account if

 you cease actively conducting the collection escrow business, in which event you shall give written notice thereof to the undersigneds and

 upon the giving of written notice you shall be released from all obligations thereafter accruing except for the proper delivery of documents

 deposited with you, thereby terminating this escrow.

(11) These instructions constitute the entire agreement between you and the undersigneds. In the event of any conflict between the terms and

 provisions of these instructions and the documents deposited herewith, the terms and provisions of these instructions will be the exclusive and

 controlling authority for your duties and obligations.

(12) In addition to the fees paid and initially agreed upon, the underigneds jointly and severally agree to pay reasonable compensation to you for

 any services not specified in these instructions and any other sums which may become due, and agree that you may modify your fees from

 time to time according to your published rates. In addition to any other remedies you may have, you are hereby given a lien upon all funds,

 documents, and other property held by you to secure payment to you of all of your fees and costs, including attorney's fees as specifically

 provided herein.

(13) At any time after the expiration of one year from the time when this escrow by its terms should be concluded, you may, without notice to the

 undersigneds, close your records, thereby terminating your responsibilities with respect to this escrow.

(14) You may retain all funds hereunder after you receive written notice of the death of one of the Payees until you receive written instructions

 from the authorized representative of the decedent for the disposition of such funds, or until you are otherwise satisfied of the identity of the

 person or persons entitled to receive such funds. The provisions of this paragraph shall apply whether or not Payees are husband and wife and

 whether or not the obligation deposited herewith shall purport to create a right of survivorship as between the Payees.

(15) If any fire or other insurance policies are deposited with you, you shall have no responsibility for the sufficiency thereof, and you shall have

 no duty to pay or see to the payment of any premiums thereon or to renew or to see to the renewal thereof or to notify any person of the

 expiration thereof, except as specifically set forth herein in connection with the reserve account. Otherwise, your sole responsibility with

 respect to any such policy shall be the safekeeping thereof.

(16) Any notices required or permitted to be given by you shall be in writing and may be given by personal delivery, regular mail, or certified

 mail directed to the undersigneds at the addresses set forth in these instructions, or such address as any of the undersigneds may designate to

 you in writing prior to the time of your giving of such notice. Any notice so given shall be effective when actually received or if given by

 mail, then shall be effective upon the deposit of such notice in the United States mail with postage prepaid.

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**THESE INSTRUCTIONS MAY BE AMENDED OR SUPPLEMENTED**

**ONLY IN WRITING AND ONLY IF ACCEPTED AND AGREED TO**

**IN WRITING BY THE OTHER PARTY AND CASCADE ESCROW.**

**IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE OR ATTACHED INSTRUCTIONS THAT THE INSTRUCTIONS ARE THE COMPLETE INSTRUCTIONS BETWEEN THIS FIRM AS AN ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL THE TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY, AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.**

DATED this        day of       , 20     .

BORROWERS/PAYORS:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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LENDERS/PAYEES:

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The above escrow instructions received and accepted this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_.

CASCADE ESCROW

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_