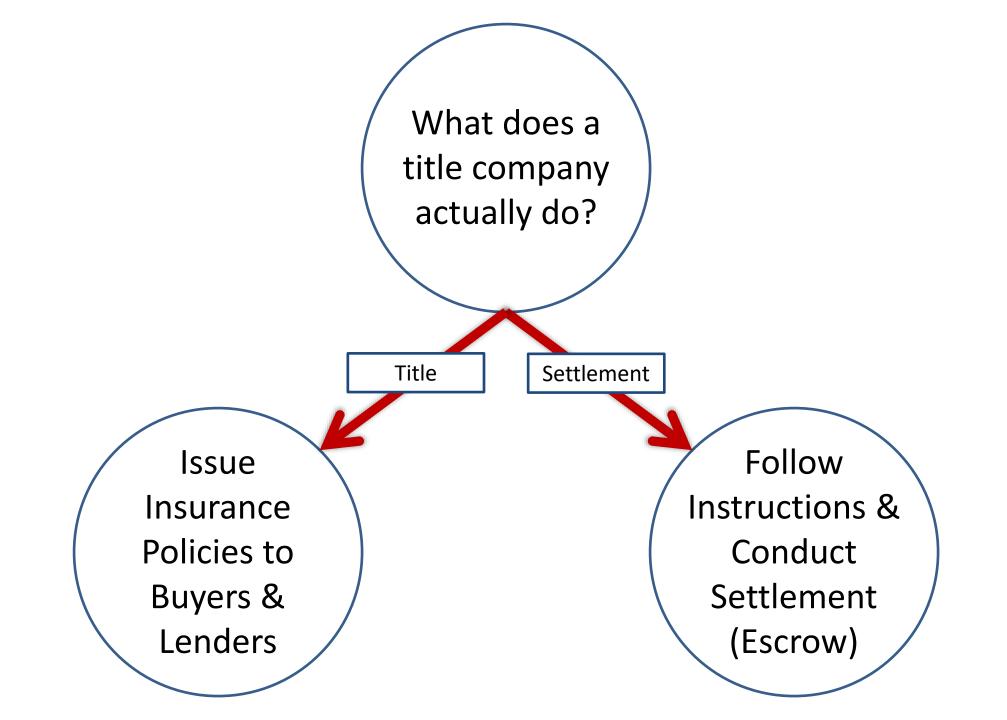


# Title & Settlement Essential Elements (CORE)

Tucker Hodgson-Continuing Education Instructor #6728570-CEI0

RC210943





### What goes on at the title company?

### 1. Title Insurance

- 1. Research property history
- Identifying & Evaluating Risks & Problems (7 areas)
  - Property Characteristics
  - People in chain/ownership/ transaction
- 3. Setting up Requirements
- 4. Preparing the Preliminary Report
- 5. Manage Requirements
  - (Curative & Clearing)
- 6. Recording
- 7. Issue title policy

### 2. Settlement/Escrow

- 1. Act as neutral party
- 2. Follow Written Instructions
- 3. Prepare Closing Documents
- 4. Prepare Settlement Statement
- Conduct Settlement
- 6. Receive & Verify Funds
- 7. Deliver (record) Deed
- 8. Disburse Funds

# Who does what? Insurance Exams & Licensing

#### Title Search

- 100 Questions- 120 Minutes
- 10% Insurance Regulation, 5% General Insurance,
   35% Real Property, 18% Title Insurance, 22% Title Exceptions & Procedures for Clearing Title,
   10% Real Estate Transactions.

#### Title Escrow

- 100 Questions- 120 Minutes
- 10% Insurance Regulation, 5% General Insurance,
   15% Real Property, 15% Title Insurance, 20% Title Exceptions and Procedures for Clearing Title, 35% Real Estate Transactions.

#### Title Marketing Representative

- **50** Questions- 60 Minutes
- 10% Insurance Regulation, 5% General Insurance, 40% Title Insurance, 45% Marketing Title Insurance.

### **CE** Requirements

- (II) Title producers shall comply with the following C.E. requirements.
- A total of 12 hours of continuing education are required, of which:
  - 6 hours must be in the classroom or classroom equivalent type courses
  - No more than 6 hours may be from courses provided by insurers
  - 3 hours must be in ethics training; and the remaining 9 hours can be in any line of insurance
  - All 12 hours must be from courses approved by the Utah Insurance Department
  - If licensed for 20 or more consecutive years, a total of 6 hours is required, with 3 of ethics
- Proof of completion of continuing education hours must be kept on file with the producer. The Department may conduct random audits of producers by mail to verify their C.E. hours.

https://insurance.utah.gov/agent/producers/education.php

### Class Goals

#### Title Insurance

- Basic Insurance Principles
- History of Abstracts & Title Insurance
  - "Old" way vs. "New" way
- Title Insurance 101
  - Licensing requirements
  - The Title Search
    - Identify Risk
    - Structuring the Report
- Owner's Policy
  - Owner's policy types
    - Basic, Extended, Homeowner's
  - What do the policies cover?
- Lender's policy
  - Why is it required?
  - The role of CPL's

#### **Settlement (Escrow)**

- Basic Settlement Principles
  - Defining Fiduciary & Escrow
  - Settlement Duties & Title Insurance (symbiotic relationship)
- Instructions as Ingredients
  - Title Report (people & property), Contract, Payoff/Lien Releases, Leases/Rental Agreements, Survey, Commission instructions, Net proceed instructions, IRS (1031 & 1099)
- Settlement missteps vs. Title Insurance claims



### Salt Lake Base & Meridian







http://www.howderfamily.com/travel/utah/great-salt-lake-base-and-meridian.html Accessed June 29, 2017





### **Uintah Special Meridian**





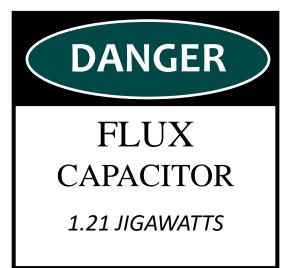


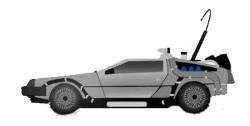
All photos from Salt Lake Tribune story first published September 18, 2009 "Bittersweet history revisited in eastern Utah"

by Brandon Loomis accessed June 29, 2017
<a href="http://archive.sltrib.com/story.php?ref=/news/ci\_13370054">http://archive.sltrib.com/story.php?ref=/news/ci\_13370054</a>

### Before Title Insurance









"Taking care of your Title Business Since 1900"

#### Title Insurance

In this fast paced economy and whirlwind of land development, the question often arises about the fees associated with buying and selling property. "What is this title insurance premium and why do I need it?"

One of the first things a person should learn about real estate titles is that they are precarious and that many times when a person buys land he does not get title to it like he is "supposed to." While it may seem a distinction without a difference, it is true that what you actually get when you buy land is the title and not the land itself. No one can pick up piece of land and hand it to you. You can't put it in your pocket and carry it away. All that you get is the title, and the title gives you the right to enter upon the land and to possess, occupy, use, control, enjoy and dispose of the land.

The word "title" is applicable to virtually every estate and interest in real estate which a person may own. If a person can own it, he can hold title to it, for title to anything constitutes rights of ownership recognized and protected by the law.

Due to the complexities in the laws that govern real estate, people have sought assurances to guarantee their "title rights." In Utah alone, the laws governing the attachment of judgments to real property have changed a half dozen times in the last six years. And laws governing liens for labor and materials have been amended twice in the last two years. The concept of title insurance is simply the latest step in the evolutionary development of title assurance. Title insurance has progressively changed in concept, form, and coverage since its inception.

Over 100 years ago, the Pennsylvania case of Watson vs. Muirhead (57 Pa. State 161) shook the public into realizing a secure form of title assurance was needed. Charles Muirhead was a Philadelphia conveyancer. The term "conveyancer" applied at that time to a layman who made a business of searching titles and reporting their condition.) Watson, who was about to purchase real estate, employed Muirhead to search and report on the title of the vendor. A judgment by default was outstanding against the vendor. Muirhead seemed to think the judgment did not constitute a lien upon the property in question. He obtained a confirming opinion from an eminent lawyer. Muirhead then reported the title to Watson as being, good, free and clear. Watson purchased the real estate. Later the judgment was held to encumber the real estate, and the property was sold at judicial sale to pay the judgment. Watson lost the property and sued Muirhead for the damage sustained. Here was a case where a purchaser lost his real estate and his entire investment because of an examiner's mistake of judgment.

The court held that the same rules of liability which applied to lawyers and doctors also applied to conveyancers - a conveyancer was not liable for his honest mistakes or errors of judgment except in cases of manifest negligence or failure to exercise reasonable professional skill, and that Muirhead was not liable under either circumstance. As a practical matter, this case made it clear that a title examiner was not a guarantor or insurer of title and that little, if any financial responsibility existed behind the opinions of conveyancers and their counterparts in other states.

Title insurance is in many ways casualty insurance. It protects against a host of risks that may not be detectable even with the most careful search of records. These include forgery, fraudulent releases, disputed powers of attorney, incompetence or lack of capacity of a person who's signed a document, ambiguous or erroneous legal descriptions, ambiguous judgment liens, mis-indexing of documents in public records or databases, and federal estate tax liens.

Extended coverage policies are available to protect against off-record interest, including claims by third parties based on adverse possession or past use, which in turn may involve rights to access adjoining lands, to maintain underground pipelines, or encroaching improvements constructed by neighbors. The newest extended coverage forms even include coverage against building permit violations, post-policy forgeries, and post-policy encroachments.

Title insurance insures the process of closing, also know as the "escrow" or "settlement," by protecting against risk from erroneous payoffs, intervening liens and mortgages (recording just before, or after, closing), defective documents going to record, and failure to get releases for paid-off debts. And, it provides for a legal defense, if needed, against threatening claims.

Title insurance and escrow services have evolved into a mainstream product for the rapidly changing real estate market. I can't imagine what anyone would do if they had to go through the process without a professional to smooth it all out for them and give the assurances needed to sleep at night when it's all said and done.

-Tim C. Grubb, licensed Title and Escrow manager

## Conveyancers & Abstractors-The way things used to be...

Watson v. Muirhead, Pennsylvania Supreme Court. 1868.

"In 1868, the case of <u>Watson v. Muirhead</u> was heard by the <u>Pennsylvania Supreme Court</u>. Plaintiff Watson had lost his investment in a real estate transaction as the result of a prior <u>lien</u> on the property. Defendant Muirhead, the <u>conveyancer</u>, had discovered the lien prior to the sale but told Watson the title was clear after his lawyer had (erroneously) determined that the lien was not valid.

The courts ruled that Muirhead (and others in similar situations) was not liable for mistakes based on professional opinions."

#### From:

https://en.wikipedia.org/wiki/Title\_insurance Accessed July 26, 2017

### Opinions v. Insurance



Title Insurance



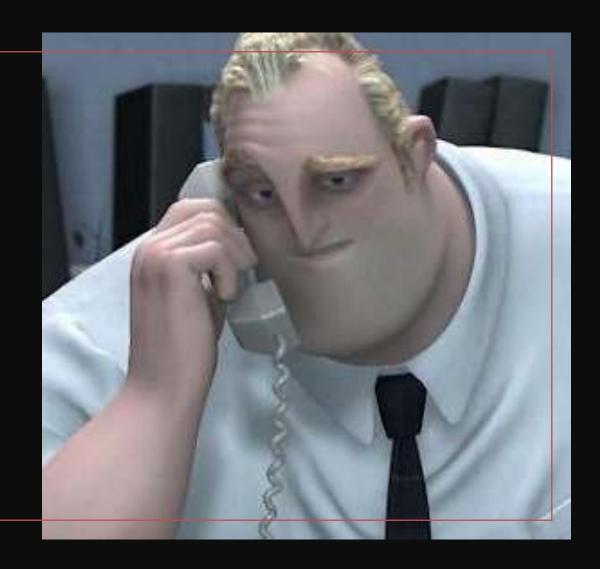
As long as we're talking about insurance we might as well get the basics down...

Insurance is a contract under which one party (the insurer) agrees to indemnify another (the insured) for a possible loss under specific conditions.



#### **Elements of an insurance contract**

- a) Offer & Acceptance- The expression of an offer by one party and the indication of acceptance of those terms.
- **Consideration** The price or value paid or given by one party to another.
- c) Competent Parties- Of majority (legal age), not with undue influence. Legally & mentally capable.
- **d) Legal Purpose** The contact is not illegal and is sound.



#### **Title Insurance Contract Features**

**Aleatory**- The outcome of the contract is dependent upon an uncertain event (we will give you money if your house burns down) The timing of the event must be uncertain.

**Adhesion**- A unilateral contract (take it or leave it)

**Conditional**- The obligations of a contract are subject to the occurrence of an event, (IE the payment of a claim is subject to the loss suffered by the insured.)



#### **Insurance Vocabulary**

Risk- The danger or hazard of a loss

**Exposure**- The level of risk

Hazard- Probability that a loss may happen

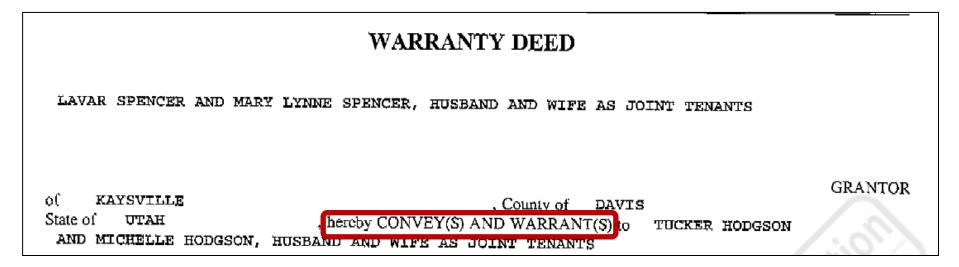
Peril- a naturally occurring event

**Loss**- whatever is destroyed ruined or given up in an event

Insurance companies deal with risk in the following ways: Retention (Acceptance of some losses), Transfer (Moving risk to another party), Sharing (losses are paid by a group of policy holders), <u>Reduction</u> (measures to reduce frequency & severity of loss), <u>Avoidance</u> (removing hazards & ending specific exposure).



# When it comes to deeding real property title, what kind of grantee (buyer) risks are we talking about?



### Grantor (seller) Coveys and Warrants to Grantee (buyer)

- 1. The grantor lawfully owns fee simple title to and has the right to immediate possession of the premises;
- 2. The grantor has good right to convey the premises;
- 3. The grantor guarantees the grantee, the grantee's heirs, and assigns in the quiet possession of the premises;
- 4. The premises are free from all encumbrances
- 5. The grantor, the grantor's heirs, and personal representatives will forever warrant and defend the title of the premises in the grantee, the grantee's heirs, and assigns against all lawful claims whatsoever.

www.le.utah.gov/xcode/Title57/Chapter1/57-1-S12.html

### **Deed of Trust Covenants**

LOAN #: 565614

BORROWER COVENANTS That Borrower is lawfully seised of the estate hereby conveyed and has the right to grant, convey and warrant the Property and that the Property is unencumbered, except for encumbrances of record. Borrower further warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.



### **Deed of Trust Covenants**

LOAN #: 56561

of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or defau

on the Loan

TRANSFER OF RIGHT IN THE PROPERTY The beneficiary of this Security Instrument is MERS (solely as nominee or Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to **Lender**: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security **Instrument and Note.** For this purpose, Borrower irrevocably grants, conveys and warrants to Trustee, in trust, with power of sale the following describe property in the County of...



### **Deed of Trust Covenants**

LOAN #: 56561

of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or defaul

in the Loa

### TRANSFER OF RIGHT IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee or Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and Note. For this purpose, Borrower irrevocably grants, conveys and warrants to Trustee, in trust, with power of sale the following describe property in the County of...



### Warranty Deed (Seller) vs. Trust Deed (Borrower)

### **Warranty Deed Covenants**

- 1. Against Encumbrances-A claim, lien, charge, or liability attached to and binding a real property
- 2. Good Title-The property is clear of all encumbrances
- 3. Quiet Enjoyment-Covenant to the grantee that they shall enjoy possession of the property without disturbance caused by defective title.
- 4. Right to Convey-the grantee has legal right to convey the property.
- 5. Covenant of Fee Simple Title with a right to possession of the property (Seisin)

### **Trust Deed Covenants**

- 1. The property is unencumbered, except for encumbrances of record
- 2. Borrower warrants and will defend generally the title to the property against all claims and demands
- 3. Has the right to grant and convey
- 4. Borrower is lawfully siezed

\*NO Quiet enjoyment

### Title Insurance Types



#### **Grantor Covenants with Warranty Deed**

1. Against Encumbrances 2. Good Title 3. Quiet Enjoyment 4. Right to Convey 5. Covenant of Fee Simple Title



#### **Borrower Covenants made with Deed of Trust**

1. Against Encumbrances 2. Good Title 3. Right to Convey 4. Covenant of Fee Simple Title

There are several types of owner's policies, each with specific coverages & exclusions



#### HOMEOWNER'S POLICY OF TITLE INSURANCE

For a one-to-four family residence

ISSUED BY: ALLIANT NATIONAL TITLE INSURANCE COMPANY

| DLICY NUMBER | 8 |
|--------------|---|
|--------------|---|

#### OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between You and Us.

It applies only to a one-to-four family residence and only if each insured named in Schedule A is a Natural Person. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, or if each insured named in Schedule A is not a Natural Person, contact Us immediately.

The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed beginning on page 3 of the Policy. The Policy is limited by:

- · Provisions of Schedule A
- · Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions On Page 4
- Exclusions on page 5

ANTIC # 1083

GF/Fie # 6-074356

Conditions on pages 5 and 6.

You should keep the Policy even if You transfer Your Title to the Land. It may protect against claims made against You by someone else after You transfer Your Title.

#### IF YOU WANT TO MAKE A CLAIM. SEE SECTION 3 UNDER CONDITIONS ON PAGE 5.

The premium for this Policy is paid once. No additional premium is owed for the Policy.

This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy-and not this sheet-is the legal document.

#### YOU SHOULD READ THE POLICY VERY CAREFULLY.

If You have any questions about Your Policy, contact:

ALLIANT NATIONAL TITLE INSURANCE COMPANY 1831 Lefthand Circle, Suite G Longmont, CO 80501

ALTA Homeowner's Policy Revised 10-23-03, 01-01-08, 03-03-10, 12-03-13

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### Owner's Policy Types

### 1. Standard or Basic Owner's Policy

| 1 | Someone else owns an interest in your title  | X |
|---|--|---|
| 2 | A document is not properly signed  | X |
| 3 | Forgery, Fraud, Duress   | X |
| 4 | Defective recording of any document  | X |
| 5 | There are restrictive covenants  | X |
| 6 | There is a lien on your title because there is: a) a deed of trust, b) a judgment tax of special assessment, c) a charge by the Homeowners Association | X |
| 7 | Title is unmarketable  | X |

- Available for Commercial & Residential Transactions (underwriter approval necessary in some cases.)
- Default policy for land, new construction, metes and bounds parcels.
- Standard Exceptions (1-8) are not deleted (off record risks).
- Mechanic Lien coverage not included.

#### Land REPC

#### **New Construction REPC**

| Buyer  | Comparison of this offer by all parties (as defined in Section 23), shall be deposited in accordance with some of Segnature of agentizoker acknowledges receipt of Earnest Money)  On (De (Signature of agentizoker acknowledges receipt of Earnest Money)  |
|--|---|
|  | Γ <b>ITLE INSURANCE.</b> At   |
| Se   | tlement, Seller agrees to pay   |
|  | a standard-coverage owner's   |
| l po   | icy of title insurance insuring   |
| 🖥 Bu   | yer in the amount of the  |
| Pu   | chase Price. Any additional   |
| tit  | e insurance coverage shall be   |
| at   | Buyer's expense.  |
| paid by Buyer<br>or to the escru<br>under these d<br>cleared funds<br>services in the<br>obligations sh<br>of the Settlem<br>writing could<br>completed, ar<br>the Lender to<br>office of the c<br>within four cal | Contract, by the Lender, by written escrow instructions or by applicable law, (b) any monies required to inder these documents (except for the proceeds of any new loan) have been delivered by Buyer to Styclosing office in the form of collected or cleared funds; and (c) any monies required to be paid by suments have been delivered by Seller to Buyer or to the escrow/closing office in the form of collecte Seller and Buyer shall each pay one-half (½) of the fee charged by the escrow/closing office fo settlement/closing process. Taxes and assessments for the current year, rents, and interest on assure the prorated at Settlement as set forth in this Section. Prorations set forth in this Section shall be mad int Deadline date referenced in Section 24(c), unless otherwise agreed to in writing by the parties. Scludde the settlement statement. The transaction will be considered closed when Settlement has be when all of the following have been completed: (i) the proceeds of any new loan have been delivere eiler or to the escrow/closing office; and (ii) the applicable Closing documents have been recorded in untry recorder. The actions described in parts (i) and (ii) of the preceding sentence shall be completed at a days of Settlement.  DN. Seller shall deliver physical possession to Buyer within: [ ] Upon Closing [ ] Other (spec |

REAL ESTATE PURCHASE CONTRACT FOR RESIDENTIAL CONSTRUCTION

**6. TITLE INSURANCE**. Unless Buyer owns the Lot on the date of Acceptance Seller agrees to pay at Settlement for a standard-coverage owner's policy of title insurance insuring Buyer in the amount of the Purchase Price. Buyer acknowledges that additional title insurance coverage against mechanic's liens may be available, at Buyer's expense, through an extended coverage or plain language title policy. Buyer is advised to consult with a title insurance company during Buyer's **Evaluations & Inspections regarding** the availability and cost of such coverage.

# Settlement vs. Closing Commercial

| Utuh Association  If XHALTORS®  COMMERCIAL REAL ESTATE PURCHASE CONTRACT  This is a legally binding contract. It has been propagated by the Utuh Association of REALTORS® for the use of its members only, in their transactions with clients and customers, Parties to this Commercial Real Estate Contract, "Contract") near agree, in arriting, to abort or delives provisions of this Contract. Seek advice from your attorney or six advisor before entering into a binding contract.  EARNEST MONEY RECEIPT  | pay one-half (½) of the fee charged by the accrowiclosing office for its services in the settlement/closing process. Taxes and assessments for the current year, rents, and interest on assumed obligations shall be prorated at Settlement as set forth in this Section. Tenant deposits (including, but not limited to, security deposits and prepaid rents) shall be paid or credited by Setler to Buyer at Settlement. Prorations set forth in this Section shall be made as of the Settlement Deadline data referenced in Section 24(c), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. For purposes of this Contract, "Closing" means that: (i) Settlement has been completed, (ii) the proceeds of any new loan have been delivered by the lender to Setler or to the escrowiclosing office; and (iii) the applicable Closing documents have been recorded in the office of the county recorder. |  |  |  |  |
|--|---|--|--|--|--|
| 6. TITLE TO PROPERTY & TITLE INSURANCE.  (a) Seller represents that Seller has fee simple title to the Property and will convey good and marketable title to Buyer at Closing by: [] GENERAL WARRANTY DEED [] SPECIAL WARRANTY DEED, free of financial encumbrances except as provided under Section 10.1.  (b) At Settlement, Seller agrees to pay for a standard-coverage owner's policy of title insurance insuring Buyer in the amount of the Purchase Price.  The title policy shall conform with Seller's obligations under Section 10.1 and with the Commitment for Title Insurance as agreed to by Buyer under Section 8.  |   |  |  |  |  |
| (c) [] BUYER ELECTS TO OBTAIN A F POLICY OF TITLE INSURANCE. The o ALTA survey), above that of the standar paid for at Settlement by: [] BUYER [  (a) Buyer and Seller have signed and delivered to each other or to the escrow/closing office all documents required by this Contract, by the lender, by written escrow instructions or by applicable law; (b) any mories required to be paid by Buyer under these documents (except for the proceeds of any new loan) have been delivered by Buyer to Seller or to the escrow/closing office in the form of collected or cleaned funds, and (c) any monites required to be paid by Seller under these documents have been delivered by Seller to Buyer or to the ascrow/closing office in the form of collected or cleaned funds. Seller and Buyer shall each Page 1 of 6  (c) [] BUYER ELECTS TO OBTAIN A F  POLICY OF TITLE INSURANCE. The or  Seller insure sequired to the escrow/closing office in the form of collected or cleaned funds. Seller and Buyer shall each  Page 1 of 6 | cost of this coverage (including the rd-coverage Owner's policy, shall be   |  |  |  |  |

## **ALTA Extended Owner's Policy**

|    | Coverage   | ALTA<br>Standard | ALTA Extended<br>Owner's |
|----|--|------------------|--------------------------|
| 1  | Someone else owns an interest in your title  | X                | X                        |
| 2  | A document is not properly signed  | X                | X                        |
| 3  | Forgery, Fraud, Duress   | X                | X                        |
| 4  | Defective recording of any document  | X                | X                        |
| 5  | There are restrictive covenants  | X                | X                        |
| 6  | There is a lien on your title because there is: a) a deed of trust, b) a judgment tax of special assessment, c) a charge by the Homeowners Association | X                | X                        |
| 7  | Title is unmarketable  | Χ                | X                        |
| 8  | Mechanic's lien protection   |                  | X                        |
| 9  | Unrecorded liens by a homeowner's association  |                  | X                        |
| 10 | Unrecorded easements   |                  | X                        |
| 11 | Rights under unrecorded leases, contracts, or options  |                  | Х                        |

### Things to remember

1. Underwriters Require an ALTA survey

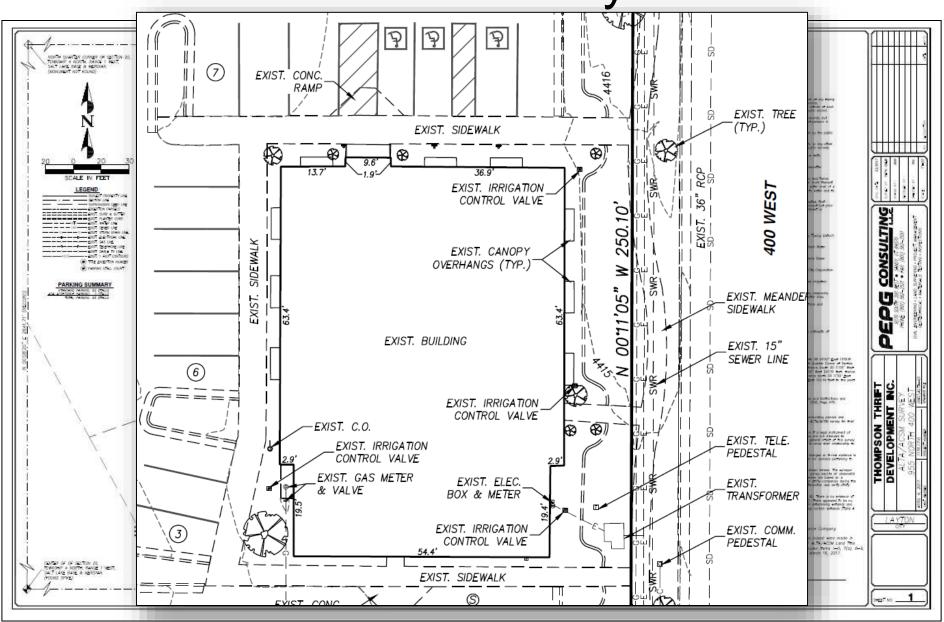


# **ALTA Survey**

- Minimum Standards for ALTA Surveys were first established in 1962
- ALTA specifies the data to be shown on the survey and this includes boundary lines, location of the main building including improvements, location of ancillary buildings, the identification of easements (access rights by service companies such as water, gas, telephone, railways and other utilities).

http://www.landsurveyors.com/resources/definition-of-an-alta-survey/

**ALTA Survey** 



# **ALTA Extended Owner's Policy**

### Things to remember

- 1. Underwriters require an ALTA survey
- 2. The standard exceptions may be deleted
- 3. The cost is higher than a standard policy (usually ~150% of a standard policy)



### Owner's Policy Types- ALTA Extended Owner's Policy

#### STANDARD EXCEPTIONS

- 1. Taxes or assessments which are not now payable or which are not shown as existing liens by the records of any taxing authority that levies taxes or assessment on real property or by the public records.
- 2. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession, or claiming to be in possession, thereof.
- 3. Easements, liens, encumbrances, or claims of easements, liens or encumbrances which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 5. Unpatented mining claims, reservations or exceptions in patents or in acts authorizing the issuance thereof, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes, water rights, or claims or title to water.
- 6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
- 7. Any service, installation, connection, maintenance, or construction charges for sewer, water, electricity, or garbage.
- 8. Any adverse claim based upon the assertion that (a) Some portion of the land forms the bed or bank of a navigable river or lake, or lies below the mean high water mark thereof; (b) The boundary of the land has been affected by a change in the course or water level of a navigable river or lake; (c) The land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.

1. Taxes or assessments which are **not** now payable or which are **not** shown as existing liens by the records of any taxing authority that levies taxes or assessment on real property or by the public records.

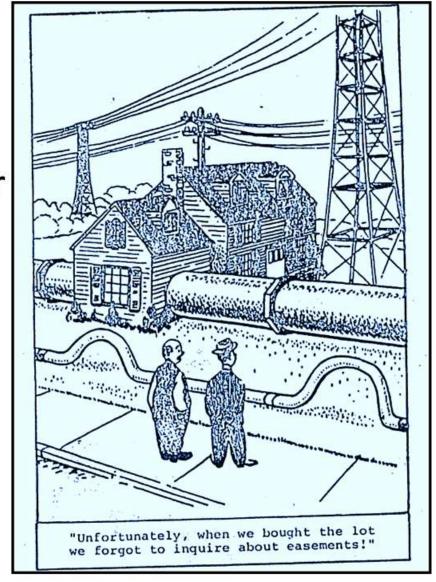


2. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession, or claiming to

be in possession, thereof.



3. Easements, liens, encumbrances, or claims of easements, liens or encumbrances which are not shown by the public records.



4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.



5. **Unpatented mining claims**, reservations or exceptions in patents or in acts authorizing the issuance thereof, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes, water rights, or claims or title to water.



6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not

shown by the public records.



7. Any service, installation, connection, maintenance, or construction charges for sewer, water, electricity, or

garbage.



8. Any adverse claim based upon the assertion that (a) Some portion of the land forms the bed or bank of a navigable river or lake, or lies below the mean high water mark thereof; (b) The boundary of the land has been affected by a change in the course or water level of a navigable river or lake; (c) The land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining

to wetlands.



### Homeowner's Policy

### REAL ESTATE PURCHASE CONTRACT This is a legally binding Real Estate Purchase Contract ("REPC"). Utah law requires real estate licensees to use this form. Buyer and Seller, however, may agree to alter or delete its provisions or to use a different form. If you desire legal or tax advice, consult your attorney or tax advisor. \_\_\_\_, 20\_\_\_\_ ("Offer Reference Date") ("Seller") the Property described below and agrees to deliver no later than four (4) calendar days after Acceptance (as defined in Section 23), an Earnest Money Deposit in the amount of \$\_ After Acceptance of the REPC by Buyer and Seller, and receipt of the Earnest Money by the Brokerage, the Brokerage shall have four (4) calendar days in which to deposit the Earnest Money into the Brokerage Real Estate Trust Account. OFFER TO PURCHASE (the "Property"). Any reference below to the term "Property" shall include the Property described above, together with the Included Items and water rights/water shares, if any, referenced in Sections 1.1, 1.2 and 1.4. 1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; all wall and ceiling eakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing and any landscaping. 1.2 Other Included Items. The following items that are presently owned and in place on the Property have been left for the convenience of the parties and are also included in this sale (check applicable box): [ ] washers [ ] dryers [ ] refrigerators [ ] microwave ovens [ ] other The above checked items shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in this Section 1.2 above, there [ ] ARE [ ] ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by separate 1.3 Excluded Items. The following items are excluded from this sale: 1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for Seller's current culinary water service and irrigation water service, if any, to the Property. The water rights/water shares will be conveyed or otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are specifically excluded 2.1 Payment of Purchase Price. The Purchase Price for the Property is \$ \_ . Except as provided in this Section, the Purchase Price shall be paid as provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in Sections 2.1(c) and 2.1(e) may be adjusted (a) Earnest Money Deposit. Under certain conditions described in the REPC, this deposit may become totally non-(b) Additional Earnest Money Deposit (see Section 8.4 if applicable) (c) New Loan. Buyer may apply for mortgage loan financing (the "Loan") on terms acceptable to Buyer: If an FHA/VA loan applies, see attached FHAVA Loan Addendum. (d) Seller Financing (see attached Seller Financing Addendum) (e) Balance of Purchase Price in Cash at Settlement PURCHASE PRICE. Total of lines (a) through (e) 2.2 Sale of Buyer's Property. Buyer's ability to purchase the Property, to obtain the Loan referenced in Section 2.1(c) above, and/or any portion of the cash referenced in Section 2.1(e) above [ ] IS [ ] IS NOT conditioned upon the sale of real estate owned by Buyer. If checked in the affirmative, the terms of the attached subject to sale of Buyer's property addendum apply. 3.1 Settlement. Settlement shall take place no later than the Settlement Deadline referenced in Section 24(d), or as otherwise mutually agreed by Buyer and Seller in writing, "Settlement" shall occur only when all of the following have been completed: (a) Buyer and Seller have signed Page 1 of 6 pages Buyer's Initials\_

6.2 Title Insurance. At Settlement, Seller agrees to pay for and cause to be issued in favor of Buyer, through the title insurance agency that issued the Commitment (the "Issuing Agent"), the most current version of the ALTA Homeowner's Policy of Title Insurance (the "Homeowner's Policy"). If the Homeowner's Policy is not available through the Issuing Agent, Buyer and Seller further agree as follows: (a) Seller agrees to pay for the Homeowner's Policy if available through any other title insurance agency selected by Buyer; (b) if the Homeowner's Policy is not available either through the Issuing Agent or any other title insurance agency, then Seller agrees to pay for, and Buyer agrees to accept, the most current available version of an ALTA Owner's Policy of Title Insurance ("Standard Coverage Owner's Policy") available through the Issuing Agent.



### Owner's Policy Comparison\*

|    |   | 150           | ALTA                |                      |
|----|---|---------------|---------------------|----------------------|
|    | Coverage  | ALTA<br>basic | Extended<br>Owner's | ALTA Home<br>owner's |
| 1  | Someone else owns an interest in your title   | X             | Х                   | X                    |
| 2  | A document is not properly signed   | X             | X                   | X                    |
| 3  | Forgery, Fraud, Duress  | X             | Х                   | X                    |
| 4  | Defective recording of any document   | X             | Х                   | X                    |
| 5  | There are restrictive covenants   | X             | X                   | X                    |
| 6  | There is a lien on your title because there is: a) a deed of trust, b) a judgment tax of special assessment, c) a charge by the Homeowners Association                    | x             | x                   | х                    |
| 7  | Title is unmarketable   | X             | X                   | X                    |
| 8  | Mechanic's lien protection  |               | X                   | Х                    |
| 9  | Unrecorded liens by a homeowner's association   |               | X                   | X                    |
| 10 | Unrecorded easements  |               | X                   | X                    |
| 11 | Rights under unrecorded leases, contracts, or options   |               | X                   | X                    |
| 12 | Forced removal of a structure because it; a) extends onto<br>other land or onto an easement, b) violates a restriction in<br>schedule B, c) violates existing zoning law* |               |                     | х                    |
| 13 | Can't use land for SFD because the use violates a restriction in schedule B or Zoning   |               |                     | х                    |
| 14 | Pays rent for substitute land or facilities   |               |                     | Х                    |
|    | Plain Language  |               |                     | X                    |
| 16 | Building permit violations*   |               |                     | Х                    |
| 17 | Compliance with Subdivision Map Act*  |               |                     | X                    |
|    | Restrictive covenant violations   |               |                     | X                    |
| 19 | Post Policy forgery   |               |                     | Х                    |
| 20 | Post Policy encroachment  |               |                     | X                    |
| 21 | Post Policy damage from mineral/water extraction  |               |                     | X                    |
| 22 | Post Policy living trust coverage   |               |                     | X                    |
| 23 | Enhanced Access- Vehicular & Pedestrian   |               |                     | X                    |
| 24 | Map not consistent with legal description   |               |                     | X                    |
| 25 | Post Policy automatic increase in value up to 150%  |               |                     | X                    |
| 26 | Post Policy adverse possession  |               |                     | X                    |
| 27 | Post Policy cloud on title  |               |                     | X                    |
| 28 | Post Policy prescriptive easement resulting in reversion  |               |                     | X                    |
| 29 | Covenant violation resulting in reversion   |               |                     | X                    |
| 30 | Boundary walls and fence encroachment*  |               |                     | X                    |
| 31 | Enhanced marketability  |               |                     | X                    |
| 32 | Violations of building setbacks   |               |                     | X                    |
|    | Discriminatory covenants  |               | 1                   | X                    |
| 34 | Insurance coverage forever  |               |                     | Х                    |

<sup>\*</sup>Subject to a deductible

| Corporate            | Layton               | Midvale              | Riverwoods           | Salt Lake            |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| Phone (901) 268-8818 | Phone (801) 774-8818 | Phone (801) 263-1500 | Phone (801) 224-9020 | Phone (801) 433-0506 |
| Bountiful            | Farmington           | Ogden                | Lehi                 | St. George           |
| Phone (801) 295-7676 | Phone (801) 683-4440 | Phone (801) 475-6100 | Phone (385) 336-8390 | Phone (435) 688-8808 |

|    |   | A1 TA         | ALTA                | A1 7 A 11             |
|----|---|---------------|---------------------|-----------------------|
|    | Coverage  | ALTA<br>basic | Extended<br>Owner's | ALTA Home-<br>owner's |
| 1  | Someone else owns an interest in your title   | X             | X                   | X                     |
| 2  | A document is not properly signed   | X             | X                   | X                     |
| 3  | Forgery, Fraud, Duress  | X             | X                   | X                     |
| 4  | Defective recording of any document   | Х             | Х                   | Х                     |
| 5  | There are restrictive covenants   | Х             | Х                   | Х                     |
|    | There is a lien on your title because there is: a) a deed of trust, b) a judgment tax of special assessment, c) a charge by the Homeowners Association              | X             | Х                   | Х                     |
| 7  | Title is unmarketable   | Χ             | Х                   | Х                     |
| 8  | Mechanic's lien protection  |               | X                   | X                     |
| 9  | Unrecorded liens by a homeowner's association   |               | X                   | X                     |
| 10 | Unrecorded easements  |               | X                   | X                     |
| 11 | Rights under unrecorded leases, contracts, or options   |               | X                   | X                     |
|    | Forced removal of a structure because it: a) extends onto other land or onto an easement, b) violates a restriction in schedule B, c) violates existing zoning law* |               |                     | X                     |
| 13 | Can't use land for SFD because the use violates a restriction in schedule B or Zoning   |               |                     | Х                     |
| 14 | Pays rent for substitute land or facilities   |               |                     | X                     |

|    |  |       | ALTA     |            |
|----|--|-------|----------|------------|
|    |  | ALTA  | Extended | ALTA Home- |
|    |  | basic | Owner's  | owner's    |
| 15 | Plain Language   |       |          | X          |
| 16 | Building permit violations*                              |       |          | X          |
| 17 | Compliance with Subdivision Map Act*                     |       |          | X          |
| 18 | Restrictive covenant violations                          |       |          | X          |
| 19 | Post Policy forgery                                      |       |          | X          |
| 20 | Post Policy encroachment                                 |       |          | X          |
| 21 | Post Policy damage from mineral/water extraction         |       |          | X          |
| 22 | Post Policy living trust coverage                        |       |          | X          |
| 23 | Enhanced Access- Vehicular & Pedestrian                  |       |          | X          |
| 24 | Map not consistent with legal description                |       |          | X          |
| 25 | Post Policy automatic increase in value up to 150%       |       |          | X          |
| 26 | Post Policy adverse possession                           |       |          | X          |
| 27 | Post Policy cloud on title                               |       |          | X          |
| 28 | Post Policy prescriptive easement resulting in reversion |       |          | X          |
| 29 | Covenant violation resulting in reversion                |       |          | X          |
| 30 | Boundary walls and fence encroachment*                   |       |          | Х          |
| 31 | Enhanced marketability                                   |       |          | Х          |
| 32 | Violations of building setbacks                          |       |          | Х          |
| 33 | Discriminatory covenants                                 |       |          | Х          |
| 34 | Insurance coverage forever                               |       |          | X          |

### Highlighted Features in Homeowner's Policy\*

- Post policy increase in value up to 150%
- Enhanced Access: Pedestrian and vehicular access
- Building permit violations
- Post policy living trust coverage
- Mechanic's lien protection

<sup>\*</sup>Subject to a deductible and a maximum indemnity liability, which may be less than the policy amount

# What is a Closing Protection Letter?

The lender's policy is issued as an indemnification related to borrower covenants and insures the lender's desired lien position. The policy is mainly provided to insure against defects and liens from the past. A lenders policy is only issued after a loan has funded and recorded and the effective date is based on when the deed of trust is recorded.

A CPL gives the insured extra coverage for events that may happen before, during and after settlement. While protection for the lender's begins after the securing document is recorded, coverage from the CPL becomes effective upon the delivery of the title commitment.

A CPL is also different because the underwriter insures the lender against actions of their title agency. Lenders request CPL's because the actions of a title agency prior to the issuing of the policy can affect the ability to enforce a lien. It is also true that some agency actions can also put a lenders funds at risk.

When the CPL is issued the underwriter backs up actions made by an individual title agent. Among other things, and subject to certain exclusions, the underwriter indemnifies against certain actions or inactions of its title agent, such as the following:

- 1- Fail to comply with a lenders written closing instructions
- 2- Fail to properly record documents
- 3- Act in a negligent or fraudulent way

# Another Insurance Principal

# How do insurance companies deal with risk?

- 1. Retention
- 2. Transfer
- 3. Sharing
- 4. Reduction
- 5. Avoidance

# The role of Title in reducing & avoiding risk:

The title search is the how risk is discovered and evaluated. Two areas are evaluated in every title search; the property & the people or entities involved in the transaction. The results of the title search and the instructions for mitigating risk are detailed in the title commitment.





# Identifying The Risk

The title search is the how risk is discovered and evaluated. It can be helpful to think about a title search as a search of two areas.

- I. The Property- Title & document history
- 2. The People- Seller, buyer, former owners

# County Recorder Obligations

### Keeping The County's Land Records Since 1870

The Recorder's Office accepts and records legal documents pertaining to real property transactions such as purchases, sales, financing, encumbrances, and other legal transfers of real property interests. It also maintains records of military discharges, federal tax liens, and judgments arising in the local and district courts for real property purposes. The office maintains cross referenced indexes to all documents recorded.

The Recorder is statutorily required to maintain a set of ownership maps called plats, which graphically delineate all the parcels of real property in the county, represented by their deed lines, and maintains indexes which show current ownership thereto, for the purpose of taxation under provisions of the Utah State Code Annotated. These records are open for public inspection, and copies of documents and/or plats are available in the office for a nominal fee.

Davis County Recorder

# Information held at the County Recorder

### **Abstract of Title**

- 1. Deed Record
- 2. Lien Record

Grantor/Grantee Index

**Liens and Leases** 

Mining Claims

Plat Maps

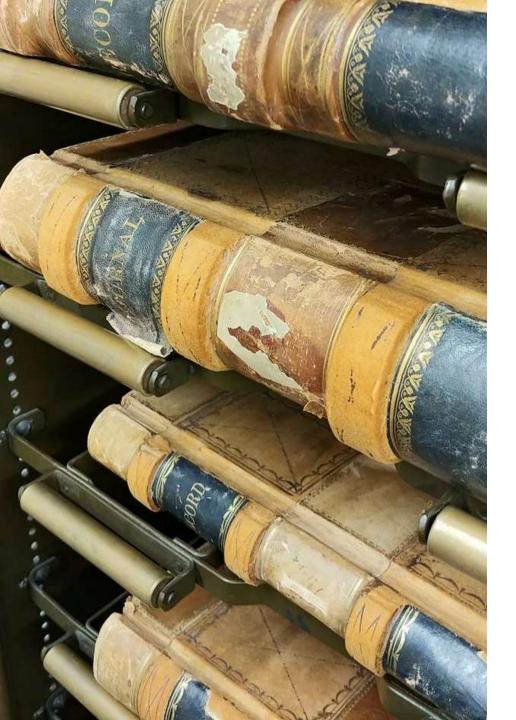
Federal Tax Liens

Judgment Index



# **Abstracts**

- A compilation of recorded documents that may affect real property
  - Sometimes called a property history or chain of title
- Generally, contains Vesting and Lien History
- Abstracted documents may or may not affect the property
  - You must analyze the document to know for sure



# Interpreting the Abstract (Vesting Changes)

Common Documents that Change Property Ownership

- Warranty Deed
- Quit Claim Deed
- 3. Trustee's Deed
- 4. Personal Representatives Deed
- 5. Decrees

# LOCK 352 C30,31-2-5. DECREES OF COURTS Nature of Date of Decree [W] Favor of Whom Decree M'th Day Year B'

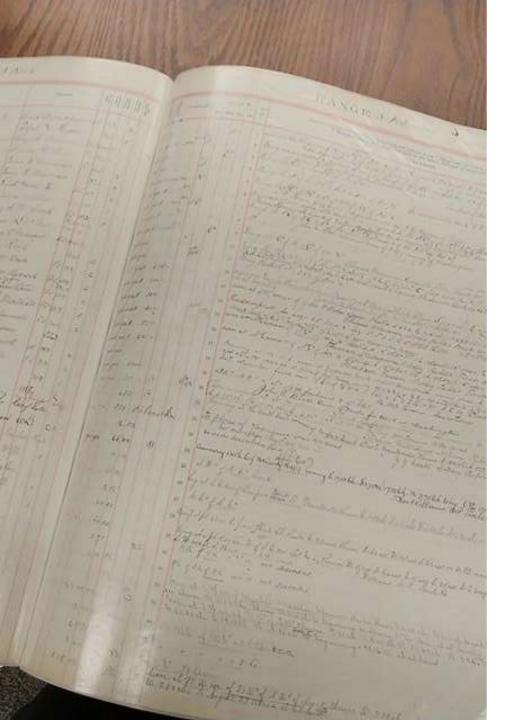
# Interpreting the Abstract (Vesting Changes)

- Look for the last vesting document
  - Warranty Deed
  - Quit Claim Deed
  - Trustee's Deed
- Take note of the grantor and grantee
- Follow the deed history on the abstract as far back as you can.



# Interpreting the Abstract (Common Document Definitions)

- Deed of Trust
- Assignment
- Notice of Default
- Request for Notice
- Substitution of Trustee
- Assignment
- Reconveyance
- CCR's
- Plats



# Interpreting the Abstract (Lien Information)

- Start at the most recent documents
- Look for document reference information (something that ties document together)
- Follow the "Chain" back
- After the document relationships are found the history will become more clear

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# The County Recorder

- The County Recorder is required to keep an index of documents recorded against individuals.
  - Grantor/Grantee Search
  - Federal Tax Liens
  - Judgments Index

# See Emery W Soule Survey

# Plat Maps

Reservations, Covenants, Restrictions, Easements, can be made using a plat map

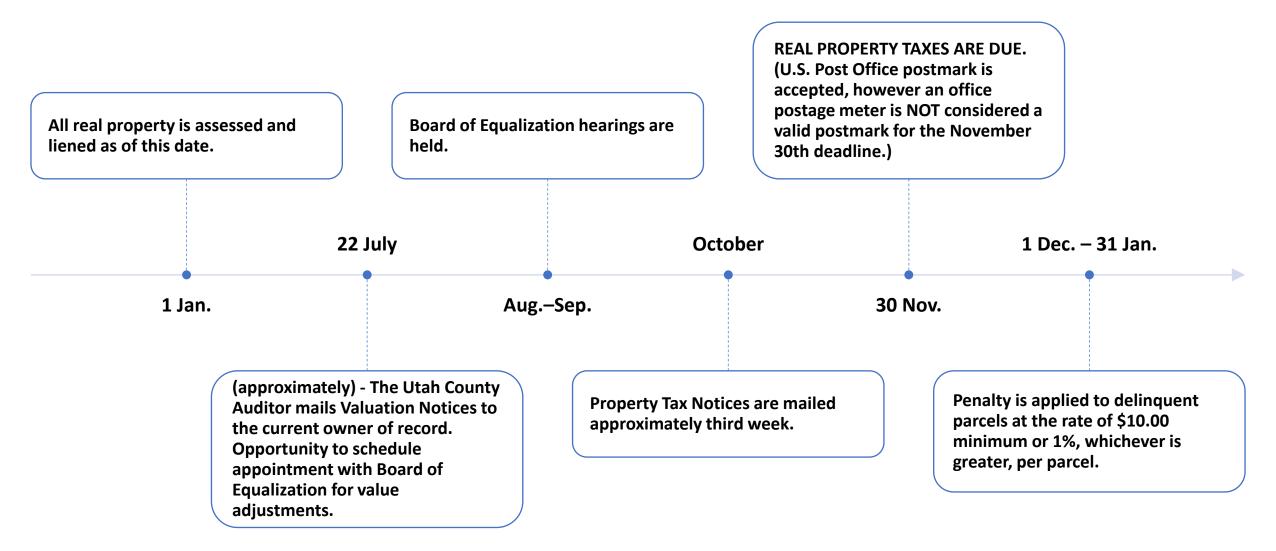
- The Section Map
- City Survey maps
- Individual Survey Maps
- Subdivision Maps



# County Property Taxes

- Due November 30<sup>th</sup>
- Delinquent December 1st
- Up to January 31<sup>st</sup> are subject to a 2.5% or \$10 penalty (whichever is greater)
- Starting December 1st, the unpaid balance accrues interest at between 7-10% depending on formula (59-2-1331)

# Timeline for Real Property Taxes



http://www.utahcounty.gov/Dept/Treas/TaxCalendar.asp



# Tax and Service Districts

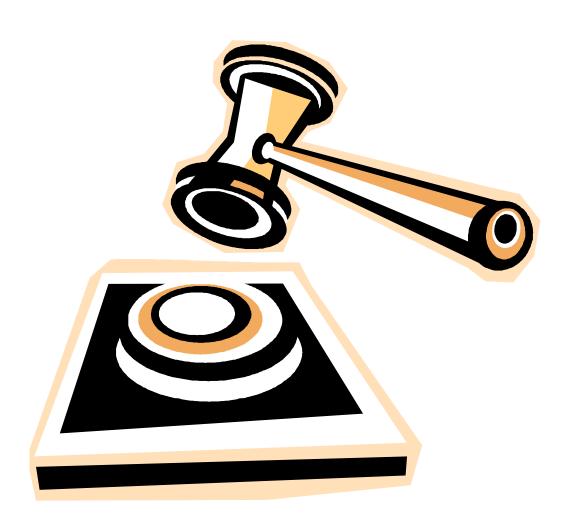
Water

Sewer

Garbage

Gas

### The District Court



- Civil Judgments
- Divorce Proceedings
- Criminal Judgments
- State Judgments
  - ORS
  - State Tax Liens
- Civil Proceedings
  - Probate
  - Quiet Title
  - Competency



# BANKRUPTCY

During a Bankruptcy, the debtor cannot sell, acquire or finance real property with approval from the trustee or the bankruptcy court

### For Chapter 7

- Formal order from court
- An abandonment from the court for the real property
   For Chapter 11 & 13
  - An order from the court approving transaction and granting relief from the automatic stay (Takes longer can force payoff amounts and release liens)
  - An abandonment (Does not release debt, but takes less time than a formal court order)



# State Construction Registry

Purpose: From <a href="www.scr.utah.gov">www.scr.utah.gov</a>,
 "provides general contractors ...with
 an easy access to a list of all parties
 that have provided goods, services
 and/or equipment to a project...and
 helps contractors minimize liability
 and risk."

| Order No.:               |  |                        |              | N/A         | MES- FT | L, JL, CH, BK OF | AC               | DATE        |
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| OWNERS:\$                | AGLE 115%  | FEE: \$                | ASIC OTHER   |             |         |                  |                  |             |
| NOTES:                   |  | PEE: \$                |              | +           |         |                  |                  |             |
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| 1-CCR (Date)             | Ent  | ry                     | BK/PG        |             |         | SCHEDULE (       | - CHAIN          | OF TITLE    |
| 2-CCR (Date)             | Ent  |                        | BK/PG        |             | INST    | DATE             | ENTRY            | BK/PG       |
| 3-CCR (Date)             | Ent  | ry                     | BK/PG        |             |         |                  |                  |             |
| 4-CCR (Date)             | Ent  |                        | BK/PG        |             |         |                  |                  |             |
| 5-CCR (Date)             | Enti   |                        | BK/PG        |             |         |                  |                  |             |
| 6-CCR (Date)             | Ent  |                        | BK/PG        |             |         |                  |                  |             |
| 7-CCR (Date)             | Ent  | rv                     | BK/PG        |             |         | 1                |                  | 1 7         |

| FILE #: |     | SEARCHED BY #: | DATE: | _ |
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| LOT     | BLK | SUB/SECT       |       |   |

|    | INSTRUMENT | ENTRY NO  | FIRST PARTY | SECOND PARTY | NOTES |
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| Order No.:   |            |                  |          |         |         | N | AMES- FTL. JL | , CH, BK OFAC   | 7 | DATE |
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| Escrow Off.: | :          |                  |          | YES     | NO      | ] |               | , 611, 51 617 6 |   |      |
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| B/S RI       | EFI RE     | V 2 <sup>N</sup> | ID Con   | st. TSG | CFR     |   |               |                 |   |      |
| SFR          | PUD        | CONDO            | СОММ     | M/B     | VAC     |   |               |                 |   |      |
| НО           | EAGLE      | 115%             | 110%     | BASIC   | OTHER   |   |               |                 |   |      |
| OWNERS: \$   |            |                  | FEE:     | \$      |         |   |               |                 |   |      |
| NOTES.       | EAGLE      | EXP              | AND      | EXTEND  | EXPRESS |   |               |                 |   |      |
| LENDERS: \$  |            |                  | FEE:     | \$      |         |   |               |                 |   |      |
| ENDORSE.:    |            |                  |          | ·       |         |   |               |                 |   |      |
| NOTES:       |            |                  |          |         |         |   |               |                 |   |      |
| EFFECTIV     | /E DATE    |                  |          | @       | 7:45 AM |   |               |                 |   |      |

|              |       | SCHEDU      | LE A      |      |           |      |          |     | $\perp$        | FE           | E    | E       | ASE      | MEN  |
|--------------|-------|-------------|-----------|------|-----------|------|----------|-----|----------------|--------------|------|---------|----------|------|
| VESTING:     |       |             |           |      |           |      |          |     |                |              |      |         |          |      |
| LEGAL:       |       |             |           |      |           |      |          |     |                |              |      |         |          |      |
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|              |       | SC          | HEDULE B  | -2 E | XCEPTION  | NS . |          | -   | PAID           | SA           | 15   | DUI     | _        | EST. |
| PARCEL ID:   |       | TAX YEAR:   |           | ć    |           |      |          | +   | HAID           | SA           | LE   | -001    | ∺        | ES1. |
| PARCEL ID:   |       | TAX YEAR:   |           | \$   |           |      |          | +   | <del>H</del> - | ┼┾           | ╢    | ┾       | $\vdash$ | ╬    |
| TAX NOTES:   |       | TAX TEAK.   |           | Ą    |           |      |          | +   | MP. C          | LLL<br>SIST: |      | _∟      | щ        |      |
| EASEMENT:    |       | PURPOSE:    | Т         |      |           |      | AREA AF  | _   |                | //31.        | _    |         |          |      |
| LI DEINERTI  |       | 1 0111 0021 |           |      |           |      | raterira |     |                |              |      |         |          |      |
| EXCEPTIONS:  |       |             |           |      |           |      |          |     |                |              |      |         |          |      |
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| 1-CCR (Date) | Entry | -           | K/PG      |      |           |      | SCHEDU   | ILE |                |              | OF T |         |          |      |
| 2-CCR (Date) | Entry |             | K/PG      |      |           | INST | DATE     |     | ENTR           | Y            |      | $\perp$ | BK/P     | G    |
| 3-CCR (Date) | Entry | В           | K/PG      |      |           |      |          |     |                |              |      | $\Box$  |          |      |
| 4-CCR (Date) | Entry | В           | K/PG      |      |           |      |          |     |                |              |      | Т       |          |      |

| Order No. NEV               | VFILE      |                |                         | Searched by | : Tucker Hoo | dgson |                |
|-----------------------------|------------|----------------|-------------------------|-------------|--------------|-------|----------------|
| File Type                   | 127        |                | 10                      | 40          | 92           |       | 10             |
| REFI                        | BUYSE      | ELL XXX        | HEP                     | TSG         | FR           | }     | PR Only        |
| TYPE 1-4 FA                 | M XXX      | MULTI          | COMM                    |             |              |       |                |
| FA OF                       | AL XXX     |                |                         |             |              |       |                |
| 115 / 110 / BAS             | SIC 110    |                |                         |             |              |       |                |
| Owners: \$597,500 Fee: \$21 |            |                | \$2123                  |             |              |       |                |
| Eagle / Expand              | / Extend   | Extended       |                         |             |              |       |                |
| Lenders:                    | \$498500   | Fee:           | \$1304                  |             |              |       |                |
| Effective Date              | 11/1/21    | @              | 7:45 AM                 |             |              | 150   |                |
|                             |            |                | <b>Judgment Search</b>  |             |              |       |                |
| NAME                        |            |                |                         | то          | 8            | SHOW  |                |
|                             | Jim        | P. Jameson     |                         | Curr        | ent          | XXX   |                |
|                             | La         | irry T. Guy    |                         | Curr        | ent          | xxx   |                |
|                             | Mel        | issa V. Guy    |                         | Curr        | ent          | xxx   |                |
|                             |            |                |                         |             |              |       |                |
|                             |            |                |                         |             |              |       |                |
|                             |            |                |                         |             |              |       |                |
|                             |            |                |                         | ľ           |              | 1)    |                |
|                             |            |                |                         |             |              |       | _              |
| Vesting:                    | WD E#1604  | 565            |                         |             |              |       | Fee / Eas. Fee |
| Legal Desc:                 | WD E#1604  | 565            |                         |             |              |       |                |
| Address:                    | 9608 South | Military Drive | , Bountiful, Utah 84010 |             |              |       |                |
| Parcel ID                   | 475-2559-a | 402            |                         |             | 5            |       |                |
| Tax Year:                   | 2020       | \$ 2709.66     | Paid/Sale/Du            | ie: Paid    | Greenbelt    |       |                |
| Imp. District: 5            |            |                |                         |             |              |       |                |

|                                     |      |          |       | Easemen     | ts   |  |  |  |
|-------------------------------------|------|----------|-------|-------------|--|--|--|--|
| Code:                               | EAS1 | Purpose: | U&D   | Affects:    | Southwesterly 5 feet, Northeasterly 7 Feet |  |  |  |
| Code:                               |      | Purpose: |       | Affects:    |  |  |  |  |
| Code:                               |      | Purpose: |       | Affects:    |  |  |  |  |
| Code:                               |      | Purpose: |       | Affects:    |  |  |  |  |
| Code:                               |      | Purpose: |       | Affects:    |  |  |  |  |
| Code:                               |      | Purpose: |       | Affects:    |  |  |  |  |
| Covenants, Conditions, Restrictions |      |          |       |             |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
| Rec:                                |      | Entry:   |       | BK/PG:      |  |  |  |  |
|                                     |      |          | B     | -1 Requirer | ments                                      |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
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|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       | B-2 Except  | ions                                       |  |  |  |
|                                     |      |          | :     | SDMFRA 29   | 11949                                      |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
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|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          | Sched | dule C- Cha | in of Title                                |  |  |  |
|                                     |      |          |       | None        |  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       | Other/No    | tes  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |
|                                     |      |          |       |             |  |  |  |  |



# Compiling the Information-Title Commitment

- Once the information has been gathered it is formatted and put together in a Title Commitment
- The Title Commitment is organized into 5 distinct areas or schedules.
  - Schedule "A" Transaction & Property Basics
    - Legal Description
  - Schedule "B"
    - Section 1 Requirements- Tasks necessary to issue clear title policy to buyer, or desired lien position to lender
    - Section 2 Exceptions- Items remaining on the property title, or exclusions from title insurance coverage
  - Schedule "C"
    - Recent conveyances

#### SCHEDULE A

Order Number: NEWFILE (Revi

1. Effective date: November 1,

 Policy or Policies to be issued (a) ALTA Owner's

Proposed Insured:

Larry T. Guy and Melis

(b) ALTA 2006 Loan

Proposed Insured:

Lender Professional, LI

(c) ALTA Loan

Proposed Insured:

3. The estate or interest in the la

Fee Simple

4. Title to the fee simple estate of

Jim P. Jameson, An unmarr

5. The land referred to in this Co

SEE ATTACHED LEGAL D

Purported Address:

9608 South Military Drive Bountiful, Utah 84010

This page is only a part of a 2016 ALTA® Co Policy; the Commitment Conditions: Schedul Company or its issuing agent that may be in-

ALTA 2016 Commitment Schedules A, B-I, E

ANTIC #1346 - Homeowner

Page 6 of 15

Order Number: **NEWFILE** (**Revised #2**)

1. Effective date: November 1, 2021 at 7:45 a.m.

2. Policy or Policies to be issued:

(a) ALTA Owner's

ALTA 2010 HOMEOWNER'S POLICY

Amount of Insurance

\$597,500.00

Proposed Insured:

Larry T. Guy and Melissa V. Guy

(b) ALTA 2006 Loan

\$498,500.00

Proposed Insured:

Lender Professional, LLC

(c) ALTA Loan

\$

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is

Fee Simple

4. Title to the fee simple estate or interest in said land is at the effective date hereof vested in:

Jim P. Jameson, An unmarried man

5. The land referred to in this Commitment is in the State of Utah, County of **Davis** and is described as follows:

SEE ATTACHED LEGAL DESCRIPTION.

Purported Address:

9608 South Military Drive Bountiful, Utah 84010 STATEMENT OF CHARGES

These charges are due and payable before a Policy can be issued.

| Owners Premium (Reissue) | \$2,123.00 |
|--------------------------|------------|
| Lenders Premium          | \$1,304.00 |
| 9 Endorsement            | \$ 20.00   |
| 22 Endorsement           | \$ 10.00   |
| 8.1 Endorsement          | \$ 25.00   |

### **SCHEDULE A**

Order Number: **NEWFILE** 

#### LEGAL DESCRIPTION

Lot a402, Military Hills No. 3, according to the official plat thereof on file and of record in the office of the Davis County Recorder.

Parcel No.: 475-2559-a402

#### SCHEDULE B - SECTION 1

Order Number: NEWFILE

#### REQUIREMENTS

The following are the requirements to be complied with:

Item (a) Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.

Written notification to the Company of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land is required. Any such interests may make this Commitment subject to additional requirements or exceptions as necessary.

#### TO-WIT:

NOTICE TO APPLICANT: The land covered herein may be serviced by districts, service companies and/or municipalities, which assess charges for water, sewer, electricity and any other utilities, etc. which are not covered by this Commitment or insured under a title insurance policy.

NOTE: If the applicant desires copies of the documents underlying any exception to coverage shown herein, the Company will furnish the same on request, if available, either with or without charge as appears appropriate.

NOTE: Any matter in dispute between you and the Company may be subject to arbitration as an alternative to court action pursuant to the Title Insurance Rules of the American Arbitration Association, a copy of which is available on request from the Company. Any decision reached by arbitration shall be binding upon both you and the Company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.

- OBTAIN AND RECORD a Warranty Deed from the vestees herein to the proposed insured.
- OBTAIN AND RECORD a Trust Deed to secure your loan.
- Upon compliance with the Company's underwriting requirements Items 1 8 on Schedule B-2 will be deleted on an ALTA Loan Policy and an Homeowners Policy.
- PAYMENT of any taxes due and payable.

#### 5. OBTAIN A RECONVEYANCE, EXECUTED BY THE TRUSTEE OF:

A Deed of Trust, and the terms and conditions thereof:

Stated Amount: \$198,402.00

Trustor(s): Jim P. Jameson, an unmarried man Trustee Inwest Title Services. Inc.

Beneficiary: Mortgage Electronic Registration Systems, Inc., acting solely as a nominee for

Lender and Lender's successors and assigns

Lender: Caliber Home Loans, Inc.

Dated: January 15, 2013

This page is only a part of a 2016 ALTAS Commitment for Title Insurance. This Commitment is not valid without the Notice, the Commitment to Issue Policy; the Commitment Conditions: Schedule A. Schedule B. Part I-Requirements: and Schedule B. Part II-Exceptions: and a counter-signature by the Company or its issuing agent that may be in electronic form.

ALTA 2016 Commitment Schedules A, B-I, B-II, C

ANTIC #1346 - Homeowner

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and ALTA members in good standing as of the date of use. All other uses are prohibited



Schedule B - Section 1 Requirements-Tasks necessary to issue clear title policy to buyer, or desired lien position to lender

#### SCHEDULE B - SECTION 1

Order Number: NEWFILE

#### REQUIREMENTS

The following are the requirements to be complied with:

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Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and daily filed for record. Written notification to the Company of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land is required. Any such interests may make this Commitment subject to additional requirements or exceptions as necessary.

TO-WIT:

NOTICE TO APPLICANT: The land covered herein may be serviced by districts, service companies and/or

Schedule B - Section 1 Requirements-Tasks necessary to issue clear title policy to buyer, or desired lien position to lender

- OBTAIN AND RECORD a Warranty Deed from the vestees herein to the proposed insured.
- OBTAIN AND RECORD a Trust Deed to secure your loan.
- 3. Upon compliance with the Company's underwriting requirements Items 1 − 8 on Schedule B-2 will be deleted on an ALTA Loan Policy and an Homeowners Policy.
- 4. PAYMENT of any taxes due and payable.

Beneticiary: Mortgage Electronic Registration Systems, Inc., acting solely as a nominee for

Lender and Lender's successors and assigns

Lender: Caliber Home Loans, Inc.

Dated: January 15, 2013

This page is only a part of a 2016 ALTAS Commitment for Title Insurance. This Commitment is not valid without the Notice, the Commitment to Issue Policy, the Commitment Conditions: Schedule B. Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic formance.

ALTA 2016 Commitment Schedules A, B-L B-II, C

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NTIC #1346 - Homeowner

and ALTA members in good standing as of the date of use. All other uses are prohibited



#### SCHEDULE B - SECTION 1

Order Number: NEWFILE

#### REQUIREMENTS

The following are the requirements to be complied with:

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Item (b) Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record.

Written notification to the Company of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land is required. Any such interests may make this Commitment subject to additional requirements or exceptions as necessary.

TO-WIT:

Schedule B - Section 1 Requirements-Tasks necessary to issue clear title policy to buyer, or desired lien position to lender

#### 5. OBTAIN A RECONVEYANCE, EXECUTED BY THE TRUSTEE OF:

A Deed of Trust, and the terms and conditions thereof:

Stated Amount: \$198,402.00

Trustor(s): Jim P. Jameson, an unmarried man

Trustee: Inwest Title Services, Inc.

Beneficiary: Mortgage Electronic Registration Systems, Inc., acting solely as a nominee for

Lender and Lender's successors and assigns

Lender: Caliber Home Loans, Inc.

Dated: January 15, 2013

Lender and Lender's successors and assigns

Lender: Caliber Home Loans, Inc. Dated: January 15, 2013

This page is only a part of a 2016 ALTAS Commitment for Title Insurance. This Commitment is not valid without the Notice, the Commitment to Issue Policy, the Commitment Conditions: Schedule B. Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic formance.

ALTA 2016 Commitment Schedules A. B-I. B-II. C

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ANTIC #1346 - Homeowner

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Page 8 of 1

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## Schedule B - Section 1 Deductibles

Note: The owner's policy of title insurance committed to be issued will contain Deductible Amounts and Liability Limits relative to certain Covered Risks as follows:

- Covered Risk 16 (Subdivision Law Violations) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (whichever is less) and a Maximum Dollar Limit of Liability of \$10,000.
- Covered Risk 18 (Building Permits) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 19 (Zoning) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 21 (Encroachment of Boundary Walls or Fences) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (, whichever is less) and a Maximum Dollar Limit of Liability of \$5,000.

# Schedule B-Section 1 also contains the name of the escrow officer

Your Order has been assigned to Cougar Forrest for full service escrow at 150 North Main, Suite 100, Bountiful, Utah 84010. For any escrow/closing questions please call (801) 295-7676, or email <a href="mailto:backman.marketing@gmail.com">backman.marketing@gmail.com</a>

Please forward all electronic closing documents to <u>loandocs@backmantitle.com</u>

NOTE: The following names have been checked for Judgments, Federal Tax Liens and Bankruptcies.

Jim P. Jameson

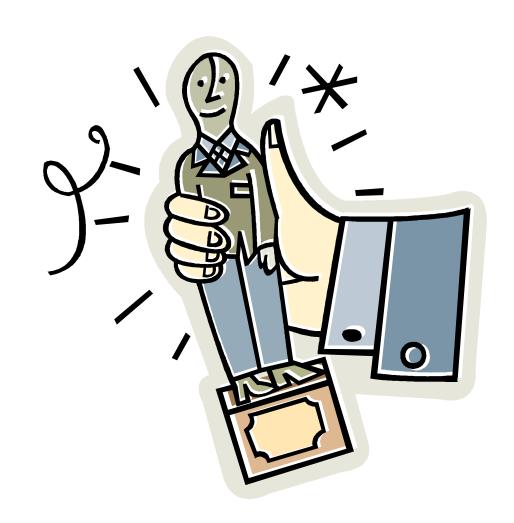
Larry T. Guy

Melissa V. Guy

Don't forget to make sure that everyone who is taking title has been searched for judgments

# And the award for worst requirement...

- Survey Exception
- Federal Tax Lien
- Unreleased Deed of Trust from a private party or defunct bank
- Probate
- Interest in property from a deceased prior owner
- Boundary Line Discrepancy (Gap/Overlap)



#### EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency, which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public record.
- Any facts, rights, interests or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents, or Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
- Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
- Any adverse claim based upon the assertion that (a) Some portion of the land forms the bed or bank of a navigable river or lake, or lies below the mean high water mark thereof; (b) The boundary of the land has been affected by a change in the course or water level of a navigable river or lake; (c) The land is subject to water rights, claims or title to water and to any law or governmental regulation pertaining to wetlands.
- Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

Order Number: NEWFILE

The policy or policies to be satisfaction of the Compan

- 1. Taxes or assessments v taxes or assessments or result in taxes or assess agency or by the public
- 2. Any facts, rights, intereby an inspection of the
- 3. Easements, liens or end
- 4. Discrepancies, conflict survey would disclose
- 5. (a) Unpatented mining thereof. (c) water right
- Any lien, or right to a not shown by the publi
- Any adverse claim base navigable river or lake affected by a change in rights, claims or title to
- Defects, liens, encumb records or attaching sul record for value the est
- Lien of taxes, delinque Year 2021 Amount: Parcel No.
- 10. The land described her to any assessments lev
- 11. The land described here subject to any assessm

This page is only a part of a 2016 A Policy: the Commitment Conditions Company or its issuing agent that n

ALTA 2016 Commitment Schedule

Page 10 of 15

ntains verage 9. Lien of taxes, delinquent, if not paid:

Year: 2021

2021 Amount: \$2,709.66

Parcel No.: 475-2559-a402

Prior year: 2020 Paid

# Schedule B-Section 2 contains "permanent" issues that effect the property title

- The land described herein is located within the boundaries of Davis County Taxing District No. 5, and is subject
  to any assessments levied thereby.
- 11. The land described herein is located within the boundaries of the Weber Basin Water District (771-1677), and is subject to any assessments levied thereby.
- The land described herein is located within the boundaries of the Bountiful City District (298-6091), and is subject to any assessments levied thereby.
- 13. The land described herein is located within the boundaries of the South Davis Water District (295-4468), and is subject to any assessments levied thereby.
- 14. The land described herein is located within the boundaries of the South Davis Sewer District (295-3469), and is subject to any assessments levied thereby.

# Schedule B-Section 2 contains "permanent" issues that effect the property title

15. Easement, and the terms and conditions thereof:

Disclosed by: Plat of said subdivision

Purpose: Utilities, Drainage and Irrigation

Area Affected: Southwesterly 5 feet and Northeasterly 7 feet

16. The terms and conditions of that certain Certificate of Creation of the South Davis Metro Fire Service Area:

Recorded: December 23, 2015

Entry No.: 2911949 Book/Page: 6419/53

# Schedule C contains any changes to the property ownership in the last 24 months

### SCHEDULE C

Order Number: NEWFILE

#### **Chain of Title**

According to Official Records, there have been no documents conveying the land described herein within a period of 24 months prior to the date of this commitment, except as follows:

NONE

Recording Date

Entry No.

Book Page

# After the Commitment is issued - Other Title Duties

# Title Commitment is often referred to as the Preliminary Title Report or PR

- Verify & manage title clearing and curative requirements
- Handle recording package
- Issue title policies
- Claims



# Settlement & Escrow are Fiduciary Roles

 Fiduciary- A <u>manager</u> entrusted to control property or to act on behalf of and for the benefit of another...or....One <u>acting in a</u> <u>relationship of trust</u>, regarding financial transactions

# **Definition of Escrow**

- Money or property held <u>conditionally</u>, an amount of money or property granted to somebody but <u>held by</u> <u>a third party</u> and only released after a specific condition has been met...or...
- 2. Delivery of a deed by a grantor to a *third party* for delivery to the grantee upon the happening of a contingent event.
- 3. In some states, <u>all instruments</u> necessary to the sale (including funds) are delivered to a third (neutral) party, with instructions at to their use.

# The Purposes of Settlement & Escrow

- 1. Follow Written Instructions
- 2. Act as neutral party
- 3. Prepare Closing Documents
- 4. Conduct Settlement
- 5. Receive & Verify Funds
- 6. Deliver (record) Deed
- 7. Disburse Funds

# From Backman's CE:

# The Role of Settlement (Escrow) in reducing & avoiding risk:

Following instructions from the insurer, insured, the title report, the process of title clearing, instructions from the real estate purchase contract, lender instructions, delivery and receipt of good funds, and conducting settlement & closing.



# Simile- From Wikipedia, the free encyclopedia

A simile (/ˈsɪməli/) is a figure of speech that directly compares two things. [1][2] Although similes and metaphors are similar, similes explicitly use connecting words (such as like, as, so, than, or various verbs such as resemble), [1] though these specific words are not always necessary. [3] While similes are mainly used in forms of poetry that compare the inanimate and the living, there are also terms in which similes and personifications are used for humorous purposes and comparison.

https://en.wikipedia.org/wiki/Simile Accessed August 22, 2017



If instructions are ingredients, does that mean escrow officer is like a chef?



Not a good comparison!

# A great Chef chooses their own ingredients.

An escrow officer depends on others for ingredients.



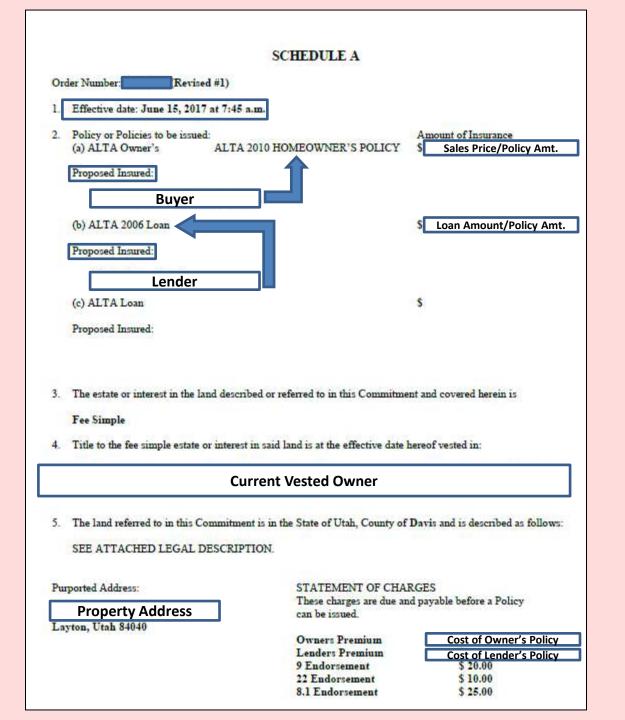
# How good are the instructions?



How good are the ingredients?

# Settlement & Escrow

- Instructions as Ingredients
  - Title Report (people & property), Contract, Payoff/Lien Releases,
     Leases/Rental Agreements, Survey, Commission instructions, Net proceed instructions, IRS (1031 & 1099)



# Instructions: Preliminary Title Report

### Schedule A

- Summary of the property and insured parties in the transaction.
- 2. Effective Date
- 3. Parties to receive insurance
- 4. Policy Types/Costs
- 5. Vested Owner(s).

| SCHEDULE A   |  |
|--|--|
| Order Number:  |  |
| LEGAL DESCRIPTION  |  |
| All of Lot Subdivision, Unit 1, Layton City, Davis County, Utah, according to the official plat thereof. |  |
| Parcel No.   |  |

# Instructions: Preliminary Title Report

### Schedule A

1. Legal description of the subject property.

|   | SCHEDULE B – SECTION 1   |
|---|--|
| Order Number  |  |
|   | REQUIREMENTS   |
| The following are the re  | equirements to be complied with:   |
| Item (a) Payment to or interest to be insured.  | for the account of the grantors or mortgagors of the full consideration for the estate or  |
| Written notification to t<br>land or who will make  | nent(s) creating the estate or interest to be insured must be executed and duly filed for record, the Company of anyone not referred to in this Commitment who will get an interest in the a loan on the land is required. Any such interests may make this Commitment subject to or exceptions as necessary.  |
| TO-WIT:   |  |
| municipalities, which as  | NT: The land covered herein may be serviced by districts, service companies and/or ssess charges for water, sewer, electricity and any other utilities, etc. which are not covered insured under a title insurance policy.   |
|   | desires copies of the documents underlying any exception to coverage shown herein, the<br>he same on request, if available, either with or without charge as appears appropriate.  |
| action pursuant to the T<br>request from the Compa  | dispute between you and the Company may be subject to arbitration as an alternative to court the Insurance Rules of the American Arbitration Association, a copy of which is available or any. Any decision reached by arbitration shall be binding upon both you and the Company. any include attorney's fees if allowed by state law and may be entered as a judgment in any tion. |
| OBTAIN AND RE   | CORD a Warranty Deed from the vestees herein to the proposed insured   |
| 2. OBTAIN AND RE  | CORD a Trust Deed to secure your loan.   |
|   | with the Company's underwriting requirements Items 1 – 8 on Schedule B-2 will be deleted Policy and an Homeowners Policy.  |
| 4. The Company may  | assist with but will not insure any transfer, right or title to water rights.  |
| A Deed of Trust, at<br>Stated Amount:<br>Trustor(s):<br>Trustee:<br>Beneficiary:<br>Lender: | NVEYANCE, EXECUTED BY THE TRUSTEE OF:  and the terms and conditions thereof:  Backman Title Services  Mortgage Electronic Registration Systems, Inc., acting solely as a nominee for Lender and Lender's successors and assigns  |
| Dated:  |  |

# Instructions: Preliminary Title Report

## Schedule B-1

- 1. Requirements
  - -To pass the clear title to the buyer
  - -To secure the lender's loan in desired lien position

Note: The owner's policy of title insurance committed to be issued will contain Deductible Amounts and Liability Limits relative to certain Covered Risks as follows:

- Covered Risk 16 (Subdivision Law Violations) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (whichever is less) and a Maximum Dollar Limit of Liability of \$10,000.
- Covered Risk 18 (Building Permits) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 19 (Zoning) has a deductible of 1% of the Policy Amount shown in Schedule A or \$5,000 (whichever is less) and a Maximum Dollar Limit of Liability of \$25,000.
- Covered Risk 21 (Encroachment of Boundary Walls or Fences) has a deductible of 1% of the Policy Amount shown in Schedule A or \$2,500 (, whichever is less) and a Maximum Dollar Limit of Liability of \$5,000.

Your Order has been assigned to Escrow Officer for full service escrow at 150 North Main, Suite 100, Bountiful, Utah 84010. For any escrow/closing questions please call (801) phone email

**Escrow Officer Email** 

Please forward all electronic closing documents to loandocs@backmantitle.com

NOTE: The following names have been checked for Judgments, Federal Tax Liens and Bankruptcies.

- Seller
- Buyer
- Previous Property Owners

# Instructions: Preliminary Title Report

## Schedule B-1

- 1. Deductibles
- 2. Assigned escrow officer
- 3. List of individuals searched

## Mortgage Payoffs are Escrow Instructions

## What is an acceptable payoff?

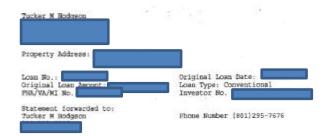
- From Current Beneficiary
- In Writing
  - Verbal payoffs are never acceptable
  - Must have a good through date
    - Principal Amount
    - Per Diem (Preferably)
  - At least 5 days per diem added to payoffs

# Instructions: Loan Payoffs

7/26/2016 2:54:14 PM PAGE 1/004 Fax Server



Attn: Payoff Department 425 Phillips Blvd. Ewing, New Jersey 08618 PAYOFF STATEMENT AS OF July 26, 2016 (\*Rffective Date\*)



IMPORTANT: Your payoff statement contains as many as three sections; each section may be multiple pages in length. If you are receiving this payoff statement via fax, please note that each section may be faxed separately. The goote to pay off your loam is contained in this first section (up to three pages in length); payoff instructions and important information are contained in section two (two pages). Section three contains all other information relating to your payoff transaction that is not contained in the first two sections. To ensure that your payoff transaction is processed efficiently, please read the entire payoff statement and follow all instructions.

ATTENTION BORROWERS USING AUTOMATIC DRAFTING: Borrowers whose monthly payments are automatically withdrawn from checking/savings accounts using our Payment Drafting Program (automatic drafting) must instruct this office to discontinue automatic drafting at least fifteen (15) business days before the next scheduled withdrawal by sending a written notice to: Drafting Department, PO Box 77417, Ewing, NJ 08628. Pailure to comply may result in continued withdrawals. Please call 877-681-7316 should you have any

877-681-7316 • www.loanadministration.com

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Tucker M Hodgson

#### LOAN PAYOFF INFORMATION

#### GENERAL INSTRUCTIONS AND CONDITIONS:

- ALL PAYOFF FIGURES PROVIDED ARE SUBJECT TO CLERICAL ERROR CORRECTION AND FINAL MUDIT.
- . The borrower must pay all interest that accrues and/or fees that are assessed after the Effective Date.
- . In the event a payment reflected in this payoff statement is reversed due to a dishonored or returned check, there will be a charge not to exceed the amount permitted by law.
- Please note that the required payoff amount may change if a payment is returned, or if late charges or escrow advances occur on or after the Effective Date of this statement.

Since amounts may change, we recommend that you contact our office to verify payoff figures prior to remitting funds.

IF THE LOAN IS DELINOURNY, IN PORECLOSURE OR BANERUPTCY, this office must be contacted at least 48 hours prior to payoff in order to allow us sufficient time to verify the correct amount necessary to satisfy the loan.

#### REMITTANCE OF FUNDS:

- . PERSONAL CHECKS WILL NOT BE ACCEPTED.
- \* Payoffs are not posted on weekends and Holidays. Interest will be added to the account for those days.
- \* Payoff funds must be remitted in the form of a wire, certified check, bank/cashier's check or attorney's trust check. PERSONAL CHECKS WILL NOT BE ACCEPTED.
- Payoff remittances (wires or checks) received in our office after
- 2:00 p.m. BT will be processed the following business day. Payoff remittances of less than the full payoff amount due will not be applied and interest will continue to accrue until the full amount is received. We will attempt to notify the sender of the amount of the shortage. If the shortage amount is not received within 48 hours of our initial receipt of the funds, the entire remittance may be
- If we must reverse the receipt and application of funds due to an error in the payoff request, a \$200.00 handling fee will be assessed.

- \* Our preferred method of payoff remittance is by wire transfer.
  \* Funds should be wired to CKNLAR FS PRINCETN, TRENTON, NJ. AEA Mbr.
- \* The wire wust include the borrower's name, loan number, and the notation ATTENTION: PAYOFF DEPARTMENT. A contact name and phone number of the originator of the wire should also be included.

# Instructions: IRS 1099-S Form

| internal Revenue Service. If yo<br>will be imposed on you if this           | ou me<br>dem is required to be re  |
|---|--|
|   |  |
| OMB No. 1545-0907   |  |
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| 7 Address or high description.  | 1  |
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#### CERTIFICATION FOR NO INFORMATION REPORTING (1099-S) ON PRINCIPAL RESIDENCE

#### (Pursuant to IRS Rev. Proc. 2007-12) This facts may be completed by the select of a principal residence. This information is necessary to determine ordered the sale or exchange should be reported to the sales; and to the linearial Returns Service on Form 1000-5, Proceeds From Real Estate Transactions. If the other properly completes Form I and Part III, and makes a "tree" response to constances (1) through (6) to Part II, no information reporting to the salar or to the Service will be required for that salar. The term "valler" anchetes each owner of the recolours due to sold or exchanged. Thus, if a resolution has more than one owner, it real month reporting person many either obtains a contribution. from each owner (whether married or not) or file as information remay and familia a priver steament for not owner that does not make the contification. SELLER INFORMATION Name(All tellers if more than I seller): Street (or legal description): City, State, Zip. Taxosver Identification Number (TIN): PART II SELLER ASSURANCES Check "true" or "false" for assumances (1) thru (5), and "true", "false", or "not applicable" for assumance (6). [1 [] (1) I owned and used the residence as my principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence. (2) I have not sold or exchanged another principal residence during the 2-year period ending on the date of [] [] the sale or exchange of the residence. (3) I (or my spouse or former spouse, if I was married at any time during the period beginning after May 6. 1997, and ending today) have not used any portion of the residence for business or sental purposes after 11 11 (4) At least one of the following three statements applies: The sale or exchange is of the entire recidence for \$250,000 or less. I um named, the sale or exchange is of the entire residence for \$500,000 or less, and the gain on the sale or exchange of the entire residence is \$250,000 or less.

eachange to which section 1031 applied occurred more than 5 years prior to the date I sold or exchanged the residence PART III Seller Certification (41) sellers must sign) Under penalties of perjury, I certify that all of the above information is true as of the end of the day of the sale or exchange.

[ ] [ ] (6) If my basis in the residence is determined by reference to the basis in the hands of a person who

I am matried, the tale or exchange is of the entire residence for \$500,000 or less and (a) I intend to file a joint return for the year of the sale or exchange, (b) my spouse also used the residence so his or her principal residence for periods aggregating 2 years or more during the 5-year period ending on the date of the sale or exchange of the residence, and (c) my spouse also has not sold or exchanged another principal residence during the 3-year period ending on the date of the sale or exchange of the principal residence. (5) During the 5-year period ending on the date of the sale or exchange of the residence. I did not acquire the residence in an exchange to which section 1031 of the Internal Revenue Code applied.

acquired the residence in an exchange to which section 1031 of the Internal Revenue Code applied, the

NOTE. Real estate reporting person must retain this certification for fear years after the sale.

11 11

# Settlement/Escrow-Authority of the Signers

• AUTHORITY OF SIGNERS. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company or other entity, the person signing the REPC on its behalf warrants his or her authority to do so and to bind Buyer and Seller.

## Authority documents for Trusts & Estates

# When taking a listing what documentation should you ask for?

1. Copy of Trust
OR

2. Certification of Trust

1

#### Certification of Trust § 75-7-1013

- (6) A person who acts in reliance upon a certification of trust without knowledge that the representations contained in it are incorrect is not liable to any person for acting and may assume without inquiry the existence of the facts contained in the certification. Knowledge of the terms of the trust may not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the person relying upon the certification.
- (7) A person who in good faith enters into a transaction in reliance upon a certification of trust may enforce the transaction against the trust property as if the representations contained in the certification were correct.
- (8) A person making a demand for the trust instrument in addition to a certification of trust or excerpts is liable for costs, expenses, attorney fees, and damages if the court determines that the person did not act in good faith in demanding the trust instrument.
- 3 (9) This section does not limit the right of a person to obtain a copy of the trust instrument in a judicial proceeding concerning the trust.

#### Certification of Trust § 75-7-1013

#### Requirements

- 1. Statement that identifies the trust exists
  - Date the trust instrument was created
- Identity of Settlor
- 3. Identity and Address of the acting trustee(s)
- Powers of the trustee
  - · How these powers relate to current transaction
- Revocable vs. Irrevocable trust "and the identity of any person holding a power to revoke the trust"
- 6. The name in which title to the trust may be taken

2

#### What happens to the real estate? Estate (Property) Intestate- No will Testate-Will Probate: 1- Court Validates Will Probate: 2- Appoints Personal 1-Court Determines Heirs Representative 3- Issues Letters 2- Issues Decree Testamentary To Change Title To Change Title - Record Determination 1-Record Personal Representatives Deed of Heirs 1a- Attach Death Cert. 1a- Attach Letters 2- Every heir named Testamentary 1b- Attach Death Cert. signs deed.

# **Evolving Requirements for LLC and Corporations**

| UNANIMOUS CONSENT OF MEMBERS OF  | RESOLUTION OF THE BOARD OF DIRECTORS BY UNANIMOUS  CONSENT FOR  Insert name of Corporation   |
|--|--|
| BLANK LLC  | men name of Corporation  |
| Pursuant to the authority contained in Utah Code Ann. §48-3a-407(4), the undersigned, being all of the members and managers of LLC, a Utah limited liability company (the 'Company'), do hereby make and ratify and adopt, in writing, the following action(s) approved without a meeting: | Pursuant to the authority contained in Utah Code Ann. §16-10a-821 and other Compt<br>documents, the undersigned, being all of the directors of (insert name of corporation), a Utah pro-<br>corporation (the "Company"), do hereby take and ratify and adopt the following action, in writi-<br>without a duly called meeting:   |
| IT IS UNANIMOUSLY AUTHORIZED that and and act as the managers of the Company in the purchase of property from which property ("Property") is located at County, Utah, and described as follows:  | IT IS UNANIMOUSLY RESOLVED, that the Company borrow from (insert naul-<br>lender), the approximate sum of (inseli loan amount) Dollars (\$ , and pledge,<br>-collateral for the loan, the Company's real property located at (insert address of property).   |
| IT BEING ALSO UNANIMOUSLY AGREED, that and the managers of the Company for this purchase transaction, be and hereby are authorized, empowered and directed to execute all purchase, loan and closing documents necessary to effectuate the purchase of the Property.                       | IT BEING FURTHER UNANIMOUSLY RESOLVED, that the president, (meels name officer signing), of the Company be, and she hereby is authorized, empowered and directed execute and deliver the (inselsother specific documents-ie: Warranty Deed) Deed of Trust, No and all other documents necessary to consummate the loan transaction with (insert name offender effectuate the pledging of the Company's real property as collateral for this loan with (insert name). |
| Dated effective the day of, 20 .   | lender).   |
|  | Dated effective theday of July, 2016.  |
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# Purchase Contracts, Addends, Receipts & **Commission Instructions**

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|---|--|--|---|---|---|--|
|   |  |  |   | <b>EARNEST MONEY</b>  | DEPOSIT   |  |
| Div this  | day of   | . 20   | ("Offer Ref   | keence Date*)   |   | ("Buyer") offers to purchase   |
| trom<br>calendar<br>of  | days after Acce  | ptance (a  | defined in Se   | ("Seller") the Proper<br>ection 23), an Earnest<br>ceptance of the REPC   | Money Deposit in the also<br>by Buyer and Seller, and   | ees to deliver no later than four (4)<br>unt of 5 in the form<br>receipt of the Earnest Money by the<br>kenage Roal Estate Trust Account.  |
|   | 10 (11   |  |   | OFFER TO PUR  |   |  |
| 1. PROI   | PERTY:   |  | 10  | 1000000   | , State of Utah, Zip  |  |
| heating, a<br>softeners;<br>shuffers; s<br>nounted s<br>1,2<br>the parties<br>(specify)   | ir conditioning fixts<br>light fatures and be<br>window and door<br>poskers, affixed a<br>Other Included<br>and am also inclu-   | ares and e<br>subs; bath<br>screens; s<br>apets; aut<br>I thems. Th<br>ded in this   | quipment, toler p<br>com fixtures and<br>torm doors and<br>small: garage do<br>e following items<br>sale (check app)  | panelic, overse, tanged a<br>bathroom mirrors; all av<br>windows; awwings; sati<br>or openers and accomp<br>that are presently owns<br>licable box): [] wash  | nd hoods; cook tops, dishwa-<br>indow coverings including car-<br>little dishes; all installed TV<br>strying transmitters; security of<br>d and in place on the Property<br>era [ ] divyers [ ] netrigera   | i and in place on the Property: plumbing,<br>down, ceiling fans, water headers, water<br>table, drapener, rode, which blinds and<br>mounting brackets, all wall and ceiling<br>system; fincing and any landscaping,<br>have been left for the convenience of<br>dons [ ] microwave oversa [ ] other<br>in addition to any trace checked on this.   |
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and delivered to each other or to the economiclosing office all documents required by the REPC, by the Lender, by the title incurance and economiclosing offices, by written economic instructions (including any split closing instructions, if applicable), or by applicable law; (b) any morries required to be paid by Buyer or Seller under these documents (except for the proceeds of any Loan) have been delivered by Buyer or Seller to the other party, or to the escriptioning office, in the form of cach, wire transfer, cachier's check, or other form acceptable to the escriptioning office. 3.2 Closing. For purposes of the REPC, "Closing" means that: (a) Settlement has been completed; (b) the proceeds of any new Loan have

- been delivered by the Lender to Seller or to the escrawicipoing office; and (c) the applicable Closing documents have been recorded in the office of the county recorder ("Recording"). The actions described in 3.2 (b) and (c) shall be completed no later than four calendar days after Settlement. 13 Possession. Except as provided in Section 6.1(a) and (b), Sefer shall deliver physical possession of the Property to Buyer as follows: [ ]
- Upon Recording [ ] Hours after Recording [ ] Calendar Bays after Recording. Any contracted rental of the Property prior to or after Closing, between Buyer and Seller, shall be by separate written agreement. Seller and Buyer shall each be responsible for any insurance coverage each party deems recessary for the Property including any personal property and belongings. The provisions of this Section 3.3 shall survive Closing.
- PRORATIONS / ASSESSMENTS / OTHER PAYMENT OBLIGATIONS.
- 4.1 Prorations. All prorations, including, but not limited to, homeowner's association dues, properly toors for the current year, nexts, and interest on assumed obligations, if any, shall be made as of the Settlement Deadline referenced in Section 24(d), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The provisions of this Section 4.1 shall survive Closine.
- 4.2 Special Assessments. Any assessments for capital improvements as approved by the homeowner's association ("HOA") (pursuant to HOA governing documents) or as assessed by a manicipality or special improvement district, prior to the Settlement Deadline shall be paid for by: [ | Seller [ | Buyer [ | Spill Equally Between Buyer and Seller [ | Other (explain)\_ The provisions of this Section 4.2 shall survive Closing.
  - 4.3 Fees/Costs/Payment Obligations
- (a) Eacrow Fees, Unless otherwise agreed to in writing. Seller and Bayer shall each pay their respective fees charged by the escrowlidesing office for its services in the settlementationing process. The provisions of this Section 4.3(s) shall survive Closing.
- (b) Rental Deposits/Prepaid Rents. Rental deposits (including, but not limited to, security disposits, desiring deposits and prepaid ments) for long term lease or rental agreements, as defined in Section 6.1(a), and short-term rental blockings, as defined in Section 6.1(b), not engine prior to Closing, shall be paid or credited by Seller to Buyer at Settlement. The provisions of this Section 4.3(b) shall survive Closing.
- (c) HOA/Other Entity Fees Due Upon Change of Gwership. Sone HOA's, special improvement districts analicr other specially planned areas, under their governing documents charge a fee that is due to such entity as a result of the transfer of title to the Property from Geller to Buyer. Such fees are sometimes referred to as transfer fees, continuity enhancement fees, HCA reinvestment fees, etc. (collectively referred to in this section as "change of ownership fees"). Regardless of how the change of ownership fee is blied in the applicable governing documents, if a change of sweetship fee is due upon the transfer of title to the Property from Seller to Buyer, that change of ownership fee shall at Settlement, be paid for by [Seller [ ] Buyer [ ] Split Equally Between Buyer and Seller [ ] Other (explain) ... The provisions of this Section 4.3(c) shall survive Closing.
- (d) Utility Services. Buyer agrees to be responsible for all utilities and other services provided to the Property after the Settlement Deadline. The provisions of this Section 4.3(d) shall survive Closing.
- (e) Sales Proceeds Withholding. The escrow/dosing office is authorized and directed to withhold from Seller's proceeds at Closing. sufficient funds to pay off on Seller's behalf all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. The provisions of this Section 4.3(4) shall survive Closing.
- 5. CONFIDENTION OF AGENCY DISCLOSURE. Buyer and Seller acknowledge prior written receipt of agency disclosure provided by their respective agent that has disclosed the agency relationships confirmed below. At the signing of the REPC:

represent(s) [ | Selfer [ ] both Buyer and Selfer as Limited Agent(s); Seller's Agent(s) Utah Red Estate Ucense Number(s); represents [ ] Seller [ ] both Buyer and Seller as Limited Agent; Saller's Brokerage Utah Rasi Estate License Number\_ represent(s) [ ] Buyer [ ] both Buyer and Seller as Limited Agent(s); Buyer's Agent(s) Buyer's Agent(a) Utah Real Estate License Number(s):\_\_\_\_ represents [ ] Buyer [ ] both Buyer and Seller as a Limited Agent. Buyer's Brokerage Utah Real Estate License Number: 6.1 Title to Property. Seller represents that Seller has fee title to the Property and will convey marketable title to the Property to Buyer at (a) Long-Term Lease or Rental Agreements. Buyer agrees to accept title to the Property subject to any long-term tenant lease or

- Closing by general warranty deed. Buyer does agree to accept title to the Property subject to the contents of the Commitment for Title Insurance (the \*Commitment") provided by Seller under Section 7, and as reviewed and approved by Buyer under Section 8.
- rental agreements (meaning for periods of thirty (30) or more consecutive days) affecting the Property not expiring prior to Closing. Buyer also agrees. to accept title to the Property subject to any existing rental and property management agreements affecting the Property not expiring prior to Closing.

Page 2 of 6 pages Buyer's Initials





#### Confirmation of Receipt of Earnest Money

| BUYER:   |                       |                                     |
|--|-----------------------|-------------------------------------|
| BUYER'S AGENT:   |                       | _                                   |
| BUYER'S BROKERAGE:   |                       |                                     |
| SELLER:  |                       |                                     |
| SELLER'S AGENT:  |                       |                                     |
| SELLER'S BROKERAGE:  |                       | _                                   |
| PROPERTY:  |                       |                                     |
| CITY, COUNTY, UTAH, ZIP_   |                       |                                     |
| CONFIRMATION OF RECEIPT OF EARNEST MONEY. In reference Offer Reference Date of, between Buyer and Seller regarding that on(Date) the Buyer's Brokerage received Earnest Motorm of (check applicable box):                                  | ng the above-describe | ed Property, this document confirms |
| [ ] direct wire transfer into our Real Estate Trust Account (must be [ ] personal check<br>[ ] cashier's check<br>[ ] other (describe)   |                       | prokerage representative)           |
|  |                       |                                     |
| Name (Print)   | (Position)            |                                     |
| Signature  | Date                  | Time                                |
| This form is COPYRIGHTED by the UTAH ASSOCIATION OF REALTORS® for u copying or distribution without written consent is prohibited. NO REPRESENT OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YO APPROPRIATE PROFESSIONAL. | ATION IS MADE AS TO   | THE LEGAL VALIDITY OR ADEQUACY      |
| @COPYRIGHT UTAH ASSOCIATION OF REALTORS® - 3.6.14 - ALL RIGHTS RES   | ERVED                 | UAR FORM 38                         |

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## Earnest Money Receipt



#### Resolution of Earnest Money Dispute (Mutual Release)



| BUYER:   |  |  |  |  |
|--|--|--|--|--|
| BUYER'S BROKERAGE: _   |  |  |  | _  |
| SELLER:  |  |  |  |  |
| SELLER'S BROKERAGE:  |  |  |  | _  |
| PROPERTY:  |  | CITY   | COUNTY   | UTAH, ZIP  |
| Date of cancelled. Seller, Seller's Br<br>mutually release each other<br>addenda, counteroffers, and<br>[] Title Company (Name): | entered into betw<br>okerage, Buyer<br>r from all obligat<br>d exhibits). The l<br>npany holding th    | ween Buyer and Seller<br>and Buyer's Brokerag<br>tions, claims, liability,<br>Earnest Money Depo                   | r for the purchase and sale o<br>ge, and their respective owne<br>and demands arising out o<br>sit in this transaction is bein<br>[] Other (Describe): | ct (REPC) with an Offer Reference of the above-referenced Property is ers, brokers and agents, do hereby of the REPC (including any and all og held by: [] Buyer's Brokerage The ted to disburse the Earnest Money |
| [ ] \$ to Seller,<br>[ ] \$ to Buyer<br>[ ] \$ to Other (  | ,  |  |  |  |
| Dispute.  3. COMPLETE AGREEME constitutes the entire agreepresentations, warranties,  4. ELECTRONIC TRANSN                       | ENT. This Reso<br>eement betwee<br>understandings<br>MISSION AND C<br>t Money Dispute<br>counterparts. | olution of Earnest Mo<br>en the parties and<br>or contracts between<br>COUNTERPARTS. Ele<br>e shall be the same as | oney Dispute, together with<br>supersedes and replaces<br>in the parties.<br>ectronic transmission (includi  | this Resolution of Earnest Money  any attached exhibits/addenda, any and all prior negotiations,  ing email and fax) of a signed copy This Resolution of Earnest Money   |
| Seller   | Date   | Buyer  | Date   |  |
| Seller   | Date   | Buyer  | Date   |  |
| Seller's Brokerage   |  |  | Buyer's Brokerage  |  |
| Principal/Branch Broker  |  | Date   | Principal/Branch Brok  | er Date  |
| copying or distribution without  | written consent is<br>DRM IN ANY SPEC  | prohibited. NO REPRES  |  | Any unauthorized use, modification,<br>E LEGAL VALIDITY OR ADEQUACY<br>OR TAX ADVICE, CONSULT AN   |
| COPYRIGHT® UTAH ASSOCIAT   | TION OF REALTOR  | R\$® - 8.25.11 - ALL RIGH  | ITS RESERVED   | UAR FORM 48  |
| Page 1 of 1  |  |  |  |  |

## Earnest Money Release

## Regarding Earnest Money Receipt

|          |   | T  | itle Company (the "Compan  | v7   |   |
|----------|---|--|--|--|---|
|          | Ret                                     | Selleri  | 5565 75 1  |  |   |
|          |   | Duyers<br>Property Address   | 0  |  |   |
| describe | ed to be                                |  |  |  | following documents and money as hereinafter<br>g instructions and open the following terms and   |
| 1        | The fo                                  | flowing documents  | und money have been, or wi   | Il be, deposited with the  | Company   |
|          |   | he sum of \$_<br>neck, or □ wire, who  | (the 'Ear<br>ich shall be deposited into a   |  | rm of a (check one) $\square$ personal check, $\square$ cashler's account; and  |
|          |   | copy of a fully exec<br>uyer and Seller.   | outed Real Estate Purchase C   | ontract dated  | (the "Purchase Agreement"), between   |
| 2.       | avents<br>The te                        | ul disbursement of t   | the Earnest Money by the Cor   | reparty, including but not   | se Agreement with respect to the hundling and<br>timited to Paragraphs 8.1(b), 8.2(a), and 8.3(b)<br>I to modify the rights and remedies set forth in   |
| 1.       |   |  | ensection contemplated by the  |  | the "Transaction"), the Earnest Money shall be<br>in writing by Buyer.  |
| 4.       |   |  | elled or does not close for an<br>actions from Buyer <u>and</u> S  |  | will disburse the Earnest Money only after receip   |
| 5        | Buyer<br>absolu<br>purpor               | and Seller within six<br>to discretion, to (i) r   | rty (60) duys after the settler<br>refrain from acting until the o<br>spective rights of the claims        | ment doudline, the Comp<br>Supute has been resolve                     | as not received mutual written instructions from<br>pany shall be entitled, at the Company's sole and<br>at and/or (a) file an action in interpleader for the<br>posit with the court the Earnest Money and a |
|          |   |  | forth above. Safler and Buy  | ver shall jointly and seve<br>torney's fees that the Co                | ese instructions other than to hold and disburss<br>mally indemnify and hold the Company hambes<br>ompany may inour or sustain in connection with<br>f the Euroest Money) or the Transaction. Selle           |
| 4        | agains<br>or uris<br>and B              | t all claims, liability,<br>ing from, these inst<br>over further agree th                          | tructions (including, without  | the Company may use a  | all or a portion of the Earnest Money to cover an<br>ney fees and court costs.  |
|          | agains<br>or uris<br>and B              | t all claims, liability,<br>ing from, these inst<br>over further agree th                          | tructions (including, without<br>hat in the event of a dispute,  | the Company may use a  |   |
| S. Buyer | agains<br>or uris<br>and B              | t all claims, liability,<br>ing from, these inst<br>over further agree th                          | tructions (including, without<br>hat in the event of a dispute,  | the Company may use a  |   |
|          | agains<br>or uris<br>and B              | t all claims, liability,<br>ing from, these inst<br>over further agree th                          | tructions (including, without<br>hat in the event of a disputa,<br>suit of that disputa, including         | the Company may use a<br>but not limited to attorn                     | ney fees and court costs.   |
| Buyer    | agains<br>or uris<br>and B              | t all cluims, liability,<br>ing from, these inst<br>oper further agree to<br>be may incor as a res | tructions (including, without<br>hat in the event of a dispute,<br>suit of that dispute, including<br>Date | the Company may use a<br>but not limited to attorn<br>Seller           | pey fees and court cods.  |
| Buyer    | against<br>or unit<br>and th<br>costs i | t all cluims, liability,<br>ing from, these inst<br>oper further agree to<br>be may incor as a res | tructions (including, without<br>hat in the event of a dispute,<br>suit of that dispute, including<br>Date | the Company may use a<br>but not limited to attorn<br>Saller<br>Saller | pey fees and court cods.  |

| F  | RELEASE OF EARNEST MONEY AGREEMENT   |
|--|--|
|  | Manay Agreement (the "Agreement") is entered into by and between the undersigned<br>th respect to carbon real property located at  |
| Collary or   |  |
|  | RECITALS   |
| A. Buyer and Seller :<br>of  | have entered into a Real Entate Purchase Contract (the "Contract") dated the   |
|  | (the "Company") has been requested to perform excrow services with respect<br>and has been requested to hold the extrest money deposit in the amount of<br>(the "Deposit"), which was delivered by or far the Buyer to the Company in connection   |
| C. Buyer and Seller<br>of flui Agreement   | decire that the Company release the Deposit in accordance with the terms and conditions  |
| NOW THEREFORE, Buy   | er and Sellier do hereby agree as follows:   |
|  | i be released and disbursed by the Company to Buyer Seller on the day of<br>_m accordance with these instructions.   |
|  | outly and severally agree to undemnify and defend the Company of and from any and all  |
|  | demands, obligations, actions, or including including but not limited to attenuey's Sees<br>from so relating to the performance and compliance by the Company with this Agreement<br>tom.  |
| and costs arising<br>and these instruct<br>3. The Deposit tha  | from or relating to the performance and compliance by the Company with this Agreement  |
| and costs arising<br>and these instruct<br>3. The Deposit tha<br>instructions will<br>thown below  | from or relating to the performance and compliance by the Company with this Agreement<br>orm.  If hepicked up at the Company,Wire Transferred (3charge - wiring  |
| and costs arising<br>and these instruct<br>3. The Deposit tha<br>instructions will<br>thown below  | from or relating to the performance and compliance by the Company with this Agreement<br>orm.  If hepicked up at the Company,Wire Transferred (3charge - wiring  |
| and costs arising<br>and these instruct<br>3. The Deposit tha<br>instructions will<br>thown below  | from or relating to the performance and compliance by the Company with this Agreement orm.  If hepicked up at the Company,Wire Transferred (\$charge - waining se provided)manifed; orsent by overnight courses (\$charge) to the address  |
| and costs arising and these instructs  3. The Deposit the instructions will inhorate before  SELLEKS:  | from or relating to the performance and compliance by the Company with this Agreement out.  If he picked up at the Company, Wire Transferred, (3 charge - wiring se provided); mailed, or sent by overnight courses (5 charge) to the address  Phone Number:  Phone Number:                                  |
| and costs arising and these instructs  3. The Deposit the instructions will shows below.  SELLERS:  Ferwarding Address:  | from or relating to the performance and compliance by the Company with this Agreement out.  If he picked up at the Company, Wire Transferred, (3 charge - wiring se provided); mailed, or sent by overnight courses (5 charge) to the address  Phone Number:  Phone Number:                                  |
| and costs arising and these instructs  3. The Deposit the instructions will shows below.  SELLERS:  Ferwarding Address:  | from or relating to the performance and compliance by the Company with this Agreement one.  If he picked up at the Company, Wire Transferred; (3 charge - wiring he provided); unified; or sent by overnight courses (5 charge) to the address  Phone Fermilee:  Phone Number:                               |
| and costs arising and these instructs  3. The Deposit the instructions will shows below.  SELLERS:  Ferwarding Address:  | from or relating to the performance and compliance by the Company with this Agreement out.  If he picked up at the Company, Wire Transferred, (3 charge - wiring se provided); mailed, or sent by overnight courses (5 charge) to the address  Phone Number:  Phone Number:                                  |
| and costs arriving<br>and these instruct<br>3. The Deposit the<br>antiractions will  | from or relating to the performance and compliance by the Company with this Agreement one.  If he picked up at the Company, Wire Transferred; (3 charge - wiring he provided); unified; or sent by overnight courses (5 charge) to the address  Phone Fermilee:  Phone Number:                               |
| and coots arising and these arisings and these arisings are the arising the arising and the arising ar | from or relating to the performance and compliance by the Company with this Agreement torm.  If he picked up at the Company, Wire Transferred (\$ charge - wiring see provided), united; or went by overnight courses (\$ charge) to the address  Phone Number:  Phone Number:  Phone Number:  Phone Number: |
| and costs arising and these institutes as the same and th | from or relating to the performance and compliance by the Company with this Agreement torm.  If he picked up at the Company, Wire Transferred (\$ charge - wiring see provided), united; or went by overnight courses (\$ charge) to the address  Phone Number:  Phone Number:  Phone Number:  Phone Number: |
| and coots arising and these arisings and these arisings and these arisings are the arising and the arising ari | from or relating to the performance and compliance by the Company with this Agreement torm.  If he picked up at the Company, Wire Transferred (\$ charge - wiring see provided), united; or went by overnight courses (\$ charge) to the address  Phone Number:  Phone Number:  Phone Number:  Phone Number: |

#### DEPOSIT OF EARNEST MONEY WITH TITLE INSURANCE COMPANY ADDENDUM TO REAL ESTATE PURCHASE CONTRACT ADDENDUM #

| 30/05/27 |    |   |
|----------|----|---|
| Page     | of |   |
|          |    | _ |

|                                       | as Buyer, and   | as Selle   |
|---------------------------------------|---|--|
| regarding the Property located at     | HE COME IN THE COME OF SEP                            | Ti   |
| following terms are hereby incorporat | ted as part of the REPC:                              |  |
|                                       |   |  |
|                                       |   |  |
|                                       |   |  |
| 1. The REPC is amended as follow      | s: Buyer and Seller agree that the Earne              | est Money Deposit, or Deposits, will be he   |
|                                       |   | est Money Deposit, or Deposits, will be he<br>erage Trust Account. The Title Insurance |
|                                       |   |  |
| with a Title Insurance Company in     | stead of deposited in the Buyer's Brok<br>located at: |  |

# Title Company Earnest Money Add.

<u>ATTENTION:</u> Buyer and Seller are advised that the Title Insurance Company may require, through separate written instructions, that **BOTH** the Buyer and Seller mutually authorize disbursement of the Earnest Money Deposit, even if the REPC states that no additional written authorization is required, which may result in additional delays and costs for either party to receive the Earnest Money Deposits

Buyer and Seller acknowledge that the Utah Division of Real Estate has no authority over the Title Insurance Company's release or disbursement of the Earnest Money Deposit.

provisions of Section 23 of the REPC. Unless so accepted, the offer as set forth in this ADDENDUM shall lapse [ ] Buyer [ ] Seller Signature [ ] Buyer [ ] Seller Signature (Date) ACCEPTANCE/COUNTEROFFER/REJECTION CHECK ONE: [ ] ACCEPTANCE: [ ] Seller [ ] Buyer hereby accepts the terms of this ADDENDUM. [ ] COUNTEROFFER: [ ] Seller [ ] Buyer presents as a counteroffer the terms of attached ADDENDUM NO. \_ [ ] REJECTION: [ ] Seller [ ] Buyer rejects the foregoing ADDENDUM. (Signature) (Time) (Signature) (Time) (Date) (Date) (Time) (Time) THIS FORM APPROVED BY THE UTAH REAL ESTATE COMMISSION AND THE OFFICE OF THE UTAH ATTORNEY GENERAL

1.1 Included Items. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, heating, air conditioning fixtures and equipment; solar panels; ovens, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; water softeners; light fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, window blinds and shutters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; all wall and ceiling mounted speakers; affixed carpets; automatic garage door openers and accompanying transmitters; security system; fencing and any landscaping.

| 1.2         | Other Included Items. The following items that a     | re presently owned and | in place on the Property have | been left for the convenience of |
|-------------|--|------------------------|-------------------------------|----------------------------------|
| the parties | and are also included in this sale (check applicable | e box): [ ] washers [  | ] dryers [ ] refrigerators [  | ] microwave ovens [ ] other      |
| (specify)_  |  |                        |                               | 55                               |

The above checked items shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in this Section 1.2 above, there [ ] ARE [ ] ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by separate written agreement.

Who prepares the bill of sale? (The REPC *is* instructions)

1.4 Water Service. The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for Seller's current culinary water service and irrigation water service, if any, to the Property. The water rights/water shares will be conveyed or otherwise transferred to Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are specifically excluded from this sale:

- Nothing new here...but: *The following water rights/water shares, if applicable, are specifically excluded from this sale*:
- In other words...if not specifically excluded, the water shares for culinary water and irrigation water are included.

## Water Right Use

- M: Municipal
- I: Irrigation
- D: Domestic
- P: Power
- O: Other
- X: Mining
- S: Stockwatering

The REPC calls for culinary & irrigation water to transfer.

|   | OFFER TO PURCHASE   |
|---|---|
| city of <u>Croydon</u> reference below to the shares, if any, reference 1.1 Included Items heating, air conditioni water softeners; light | County of Morgan State of Utah, Zip 84018 Tax ID No. 00-00-625-037 (the "Property"). Any e term "Property" shall include the Property described above, together with the Included Items and water rights/water ced in Sections 1.1, 1.2 and 1.4.  s. Unless excluded herein, this sale includes the following items if presently owned and in place on the Property: plumbing, and fixtures and equipment; solar panels; overs, ranges and hoods; cook tops; dishwashers; ceiling fans; water heaters; fixtures and bulbs; bathroom fixtures and bathroom mirrors; all window coverings including curtains, draperies, rods, auters; window and door screens; storm doors and windows; awnings; satellite dishes; all installed TV mounting brackets; |
|   | The Purchase Price for the Property shall include all water rights/water shares, if any, that are the legal source for  |
| therwise transferred to   | water service and imigation water service, if any, to the Property. The water rights/water shares will be conveyed or Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are this sale: Per Title  |
| therwise transferred to<br>pecifically excluded from<br>The above checked it<br>this Section 1.2 above<br>separate written agree          | Buyer at Closing by applicable deed or legal instruments. The following water rights/water shares, if applicable, are in this sale: Per Title  ems shall be conveyed to Buyer under separate bill of sale with warranties as to title. In addition to any boxes checked in a, there [ ] ARE [X] ARE NOT additional items of personal property Buyer intends to acquire from Seller at Closing by  |





## Transferring Water Rights with Division of Water Resources (Steps)

- 1. Verify ownership of right (does the seller hold ownership)
- 2. If Seller doesn't have good title to water
  - Complete Report of Conveyance
  - Send report of conveyance & \$40.00 to the Division of Water Resources
  - Wait for their decision (takes time)
- 3. Verify use of the right (domestic or irrigation?) Is it included?
- 4. Correctly identify Water Right Information on REPC & Addenda
- 5. Get information about the well report ready for buyer review (if applicable- this information is extra)
- 6. Complete Land Deed Addendum
- Record conveyance deed with Land Deed Addendum attached as exhibit
- Buyer completes Report of Conveyance & sends the following to the Division of Water Resources
  - Recorded deed with land deed addendum
  - Report of Conveyance
  - **-** \$40.00

## Sample Language for Addendum-Water Rights

The following water rights are <u>included</u> or <u>excluded</u> from the sale (Water Right Number).

#### IF INCLUDED:

- Seller to transfer water with Water Rights Addendum to Land Deeds
- 3. Buyer to complete Report of Water Right Conveyance following closing
- 4. The well and well equipment are (included or excluded) from the sale and will be conveyed by bill of sale: (description of equipment type/location/use of equipment)



## **Transfer of Well Equipment**

Well equipment is sometimes considered personal property and should be transferred with a Bill of Sale. Instructions must be given to govern their transfer

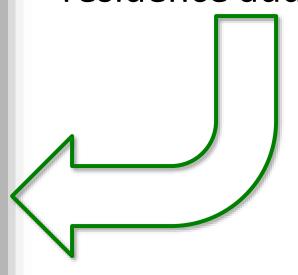
- Address the transfer on well equipment of well & equipment in section 1.2 or REPC (Other included items)
- If transfer was not included with original offer, Prepare an Addendum to the REPC
- Make the Bill of Sale plain language
   "Well and well equipment currently used in association with water right number \_\_\_\_\_\_
   located \_\_\_\_\_\_
- If necessary, include additional descriptions of pump type/other equipment.

| 2.1 Payment of Purch   | ase Price. The Purchase Price for the Property is \$                     | Except as provided in this Section, the    |
|--|--|--|
|  | s provided in Sections 2.1(a) through 2.1(e) below. Any amounts shown in | Sections 2.1(c) and 2.1(e) may be adjusted |
| as deemed necessary by Buyer   | and the Lender (the "Lender").   |  |
| \$ (a  | ) Earnest Money Deposit. Under certain conditions described in the F     | REPC, this deposit may become totally non- |
| 1  | refundable.  |  |
| \$(b   | Additional Earnest Money Deposit (see Section 8.4 if applicable)         |  |
| \$ (c  | New Loan. Buyer may apply for mortgage loan financing (the "Loan")       | on terms acceptable to Buyer: If an FHA/VA |
| 100 - 200 - 201<br>100 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 - 201 | loan applies, see attached FHA/VA Loan Addendum.                         |  |
| \$   | (d) Seller Financing (see attached Seller Financing Addendum)            |  |
| \$ (e  | ) Balance of Purchase Price in Cash at Settlement                        |  |
| \$ PI  | URCHASE PRICE. Total of lines (a) through (e)                            |  |
| <u> </u>   | Sitoriate Fittion: Fotal of lines (a) timough (c)                        |  |

2.2 Sale of Buyer's Property. Buyer's ability to purchase the Property, to obtain the Loan referenced in Section 2.1(c) above, and/or any portion of the cash referenced in Section 2.1(e) above [ ] IS [ ] IS NOT conditioned upon the sale of real estate owned by Buyer. If checked in the affirmative, the terms of the attached subject to sale of Buyer's property addendum apply.

| Little Association<br>(*BEALTORS*  | SUBJECT TO   | SALE OF BUYER'S RESIDENCE  |  |  |
|--|--|--|--|--|
| 86.4 (C)R  | Al   | DDENDUM NOTO   |  | WHITE IS NOT   |
|  | REAL EST   | ATE PURCHASE CONTRACT  |  |  |
| THIS IS AN E LADDENDUM   | LICOUNTEROFFER   | to that REAL ESTATE PURCHASE CONTRA  | CT (the 'REPC')  | with an Offer  |
| Reference Date of  |  | addenda and counteroffers, between   |  | Buyer, and   |
|  | regarding the Property   |  | (the "Property"  |  |
|  |  | of the REPC, and to the extent the terms of this addends and counteroffers, these terms shall o  |  | fy or conflict   |
| 1. SUBJECT TO SALE OF E  |  | uyer's obligation to purchase the Property is o  | neditioned upon th   | w closing of   |
| the sale of Buyer's residence  |  | 사람들은 사용 사람들에 가게 하는 사람들이 살아가는 것이 없는 것이 없는 것이 없는 것이다.  | moe") by 5.00 P.A  |  |
|  |  | ive"). This condition of purchase is referred to   |  | THE PROPERTY OF THE PARTY OF TH |
| [ ] 15 [ ] 15 NOT pre  | sently lated for au<br>ite 101, if the Residen   | OT have a signed contract for the sale of the<br>le through (provide name/address/phone<br>noe is not now listed, it will be so listed on or be<br>esidence.   | of real estate   |  |
| my defected became the rest  | ing of the same of the ro  | outpetice.   |  |  |
|  |  | ts, if applicable, shall be released to Buyer with   |  |  |
| by providing written notice to   | Seller,  | er, remove this condition at any time prior to the   |  |  |
| by providing written notice to<br>1.4 Fallure to Cancel,<br>waived the Subject to Sale C   | Seller.<br>If the REPC is not can<br>andition  | celled by Buyer as provided in Section 1.3 B   | uyer shall be deer   | med to have  |
| by providing written notice to<br>1.4 Failure to Cancol,<br>waived the Subject to Sale C<br>ALL OTHER TERMS of #<br>COUNTERCEPER shall remit<br>to accept the terms of this AC   | Seller. If the REPC is not can prodition be REPC, including a sin the same. [ ] Seller IDENDUM/COUNTER.  |  | uyer shall be deer   | ned to have  |
| by providing written notice to<br>1.4 Failure to Cancol,<br>waived the Subject to Sale C<br>ALL OTHER TERMS of #<br>COUNTERCPFER shall rems<br>to accept the terms of this At-<br>so acceptant, the other as set   | Seller.  If the REPC is not can ordition  In REPC, including a last the same. [ ] Seller IDENDUM/COUNTER/forth in the ADDENDUI   | ncelled by Buyer as provided in Section 1.3. Bit prior addends and counteroffers, not mit. [] Buyer shall have until[] AM [] PM OPFER in accordance with the provisions of S   | uyer shall be deer   | ned to have  |
| by providing written notice to<br>1.4 Failure to Cancol,<br>waived the Subject to Sale C<br>ALL OTHER TERMS of #<br>COUNTERCPFER shall rems<br>to accept the terms of this At-<br>so acceptant, the other as set   | Seller.  If the REPC is not can ondition to REPC, including a fit the tame. [ ] Seller (IDEN) UMMCOUNTER forth in the ADDENDU  | ncelled by Buyer as provided in Section 1.3. Bit all prior addends and counteroffers, not make [ ] Buyer shall have until : _ [ ] AMI ] PM OFFER in accordance with the provisions of Settlement of    | uyer shall be deer<br>addled by this A<br>Mountain Time _<br>action 23 of the Ri             | DOENDUM  |
| by providing written notice to  1.4 Failure to Cancel, waived the Subject to Sale C ALL OTHER TERMS of # COUNTERCPFER shall remi to accept the terms of this A5 so accepted, the other as set  [ ] Buyer [ ] Seiter Signature  CHECK ONE:   [ ] ACCEPTANCE of ADDE!  | Seller If the REPC is not can modition us REPC, including a iso the same, [ ] Seller specification in the ADDENDUM (Date)  ACCEPTAN  | ncelled by Buyer as provided in Section 1.3. Bit all prior addends and counteroffers, not multiply a secondarial setting to the provisions of Section 1.3. Buyer [1] Selfer Signature  (Time) [1] Buyer [1] Selfer Signature   | uyer shall be deer<br>ordfied by this A<br>(Mountain Time_<br>action 23 of the Rif<br>(Date) | DOENDUM:   |
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| by providing written notice to  1.4 Fallure to Cancel, waived the Subject to Sale C ALL OTHER TERMS of # COUNTEROFFER shall rem to accept the terms of this AC so accepted, the ofter as set  [] Buyer [] Seller Signifum  CHECK ONE: [] ACCEPTANCE of ADDE!  COUNTER OFFER: [] S  [] REJECTION: [] Seller Signifum  [] Buyer [] Seller Signifum   | Seller  If the REPC is not can indition is REPC, including a list the same. I J Seller IDENDUMPCOUNTER forth in the ADDENDUM COUNTEROFF ACCEPTAN IDUM/COUNTEROFF etler [ ] Buyer present   Buyer rejects the for IDENDUMPCOUNTEROFF    (Date)  | ncelled by Buyer as provided in Section 1.3. Bit all prior addends and counteroffers, not multiply accordance with the provisions of Set McOUNTEROFFER shall lapse.  (Time) [] Buyer]] Seter Signature accordance with the provisions of Set McOUNTEROFFER shall lapse.  (Time) [] Buyer]] Seter Signature accordance with the set of the  | uyer shall be deer  At Mountain Time, school 23 of the Ri  (Date)  counterofler No           | DOENDUM  (Time)  (Time)  |
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| by providing wotten notice to  1.4 Failure to Cancel, waived the Subject to Sale C ALL OTHER TERMS of # COUNTERCEPTER shall rem; to accept the terms of this AC so accepted, the other as set  [ ] Buyer [ ] Seller Signature  CHECK ONE:  [ ] ACCEPTANCE of ADDEL  COUNTER OFFER. [ ] 5  [ ] REJECTION [ ] Seller [  [ ] Buyer [ ] Seller Signature  [ ] Buyer [ ] Seller Signature  The bases community to the date of the control of the case of the case of the control of the case of | Seller,  If the REPC is not can addition in REPC, including a sin the same, I   Seller    I Seller   County   County    ACCEPTAR    ACCEPT | celled by Buyer as provided in Section 1.3 Bill prior addends and counteroffers, not military to the secondaria and counteroffers, not military to the secondaria and counteroffers, not military to the secondaria and the provisions of Sec. (Time) []Buyer]] Select Signature (CEICOUNTEROFFER/REJECTION ER. []Select]] Buyer hereby accepts the tests as a counteroffer the terms of the attached (Internal Counteroffer the Internal Cou | uyer shall be deer  At Mountain Time, school 23 of the Ri  (Date)  counterofler No           | DOENDUM  (Time)  (Time)  (Time)  |

## Subject to sale of buyer's residence addendum



The provisions of this Section 6 1(a) shall survive Closing.

(b) Short-Term Rental Bookings. Buyer agrees to accept title to the Property subject to any other term rental bookings (meaning for periods of less than firsty (30) consecutive days) affecting the Property not explaing prior to Closing. The provisions of this Section 6.1(b) shall survive Closine.

- 6.2 Title Insurance. At Settlement, Selfer agrees to pay for and cause to be issued in fewor of Suyer, through the title insurance agency that self-end of the ALTA Homeowner's Policy of Title Insurance (the "Numerowner's Policy"), if the Homeowner's Policy is not available through the Issuer Agent, they and Solid Horther agrees to Solices; (a) Selfer agrees to pay for the Homeowner's Policy if available through any other title insurance agency selected by Buyer, (b) if the Homeowner's Policy is not available either through the Issuer Agent or any other title insurance agency, the Solice agrees to pay for the version of an ALTA Owner's Policy of Title Homeowner's Policy is not available extent of the ALTA Owner's Policy of Title Homeowner's Policy and Title Homeowner's Policy of Title Homeowner's Policy Title Homeowner's Policy Policy
- SELLER DISCLOSURES. No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to Buyer the following documents in hard copy or electronic formal which are collectively referred to as the "Seller Disclosures".
- [a] a written Seller property condition disclosure for the Property, completed, signed and dated by Seller as provided in Section 10.3;
- a Lead Saced Paint Discloure & Acknowledgement for the Property, completed, signed and dated by Seler (only if the Property was built proressed.)
- (c) a Commitment for Title Insurance as referenced in Section 6. 1;
- (d) a copy of any restrictive covenants (CC&R's), rules and regulations affecting the Property;
- (c) a copy of the most recent minutes, budget and financial statement for the homeowners' association, if any,
- (f) a copy of any long-term tenant lease or rental agreements affecting the Property not expiring prior to Oldring;
- [g] a copy of any short-term rental booking schedule (as of the Seller Disdosure Deadline) for guest use of the Property after Closing;
- (h) a copy of any existing property management agreements affecting the Property.
- 1) evidence of any water rights and/or water shares referenced in Section 1.4;
- written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations.
- (ii) In general, the sale or other Sepocition of a U.S. real property interest by a foreign person is subject to income tax withholding under the Foreign Investment in Ifleal Property Tax Act of 1900 (FIRPTA). A "foreign person" includes a non-recident also individual, foreign corporation, partnership, that or estate. If FIRPTA applies to Seler, Seller is arbitred that Buyer or other qualified substantia may be legally required to withhold that to act Closing, in order to world chaing sellings, if Seller is a foreign person under FIRPTA, Seller shall advice Suger in writing, and
- (i) Other (specify) \_
- 8. BUYER'S CONDITIONS OF PURCHASE.
- 8.1 DUE DILIGENCE CONDITION. Suyer's obligation to purchase the Property [ ] IS [ ] IS NOT conditioned upon Buyer's Due Diligence as defined in this Section 8.1(a) below. The condition is referred to as the "Due Diligence Condition." If checked in the affirmative, Sections 8.1(a) fraugh 8.1(a) papir, otherwise they do not.
- (a) Disc Bilgence Berns, Buyer's Due Diligence shall consist of Buyer's review and approval of the contents of the Selec Disclosures relatenced in Section 7, and any other tests, evaluations and verifications of the Property december necessary or appropriate by Buyer, such as: the physical condition of the Property, the existence of any hazardous unbehance, environmental issues or geologic conditions; the square bodge or acreage of the last and/or improvements; the condition of the root, walls, and foundation, the condition of the plumbing, electrical, mechanical, heading and are conditioning systems and fatures; the condition of all applicates; the costs and availability of homeowner's insurance and flood insurance, if applicable, water course, availability and quality, the location of property inter, regulatory use restrictions or violations; feet for porvious such as HGA states, manipple services, and utility costs, consisted set offenders residing in proximity to the Property, and any other matters deemed material to Buyer in making a decision to purchase the Property. Unless otherwise provided in the REPC, all of Buyer's Due Disgenos shall be paid for by Buyer and shall be conducted by individuals or entities of Buyer's choice. Selfer agrees to cooperate with Buyer's Due Disgenos Buyer agrees to pay for any starrage to the Property resulting from any such impercious or tests during the Due Disgenos.
- (b) Buyer's Right to Course or Resolve Objections. If Buyer detainmen, in Buyer's sole discretion, that the results of the Due Diligence are unacceptable, Buyer may either, (i) no later than the Due Diligence Deadline referenced in Section 24(b), cancel the REPC by providing written notice to Seler, wherevern the Earnest Money Deposit shall be released to Buyer without the requirement of further written authorization from Seler; or (ii) no later than the Due Diligence Deadline referenced in Section 24(b), resolve in writing with Seller any objections Buyer has areing from Buyer for De Diligence.
- (c) Failure to Cancel or Resolve Objections. If Dayer fails to cancel the REPC or fails to resolve in writing with Seller any objections. Bayer has analise how Bayer's Die Diligence, as provided in Section 5. High, Buyer shall be deemed to have waited the Due Diligence Condition, and except as provided in Section 5.2 (A) and 5.3 (A)(I), the Earnest Money Deposit shall become non-influenced.
- 8.2 APPRAISAL CONDITION. Buyer's obligation to purchase the Property. [ ] IS [ ] IS NOT conditioned upon the Property appraising for not see than the Purchase Price. This condition is referred to as the "Appraisal Condition." If checked in the affirmative, Sections 8.2(a) and 5.2(b) apply, otherwise they do not.
- (a) Buyer's Right to Cancel. If after completion of an appraisal by a licensed appraiser, Buyer receives witten notice from the Lender or the appraiser that the Property has appraised for feet than the Punchase Price (a "Notice of Appraised Volum"), Buyer may control the REPC by providing written notice to Seller (with a copy of the Notice of Appraised Volum) no later than the Financing & Appraisal Deudline referenced in Section 24(c), whereapon the Earnest Money Deposit shall be released in Buyer without the requirement of harbor written authorization from Seller.
  - (b) Failure to Cancel. If the REPC is not cancelled as provided in this section 8.2. Buyer shall be deemed to have waived the Appraisal

| Page 3 of 5 pages | Buyer's Initials | Date | Seller's builtals | Date |
|-------------------|------------------|------|-------------------|------|
|                   |                  |      |                   |      |

Condition, and except at provided in Sections 5 tilb) and 8 3/b/(ii), the Earnest Money Deposit shall become non-relandable. 8.3 FINANCING CONDITION, (Check Applicable Box) (a) | No Financing Required. Buyer's obligation to purchase the Property IS NOT conditioned upon Buyer obtaining financing. If checked, Section 6.3(b) below does NOT apply. (b) [ ] Financing Required, Buyer's obligation to purchase the Property IS conditioned upon Buyer obtaining the Loan referenced in Section 2.1(c). This Condition is referred to as the "Financing Condition." If checked, Sections 8.3(b)(i), (ii) and (iii) apply, otherwise they do not. If the REPC is not cancelled by Buyer as provided in Sections 8.1(b) or 8.2(a), then Duyer agrees to work diligently and in good faith to obtain the Loan. (i) Buyer's Right to Cancel Before the Financing & Appraisal Deadline. If Buyer, in Buyer's sole discretion, is not satisfied with the terms and conditions of the Lean, Buyer may, after the Due Diligence Deadline referenced in Section 24(b), if applicable, cancel the REPC by providing written notice to Sellor no later than the Financing & Appraisal Deadline referenced in Section 24(c); whereupon \$ of Buyer's Earnest Money Deposit shall be released to Seller without the requirement of further written authorization from Buyer, and the remaintier of Buyer's Earnest Money Deposit shall be released to Buyer without further written authorization from Seller. 60 Buyer's Right to Cancel After the Financing & Appealsal Deadline. If after expiration of the Financing & Appraisal Deadline referenced in Section 24(c), Buyer falls to obtain the Loan, meaning that the proceeds of the Loan have not been delivered by the Lender to the economidating office as required under Section 3.2, then Buyer shall not be obligated to purchase the Property and Buyer or Seller may cancel the REPC by providing written notice to the other party. (iii) Earnest Money Deposit(s) Released to Seller. If the REPC is concelled as provided in Section 8.3(b)(ii), Buyer agrees that all of Buyer's Earnest Money Deposit, or Deposits, if applicable (see Section 8.4 below), shall be released to Seller without the requirement of further written authorization from Buyer. Seller agrees to accept, as Seller's exclusive remedy, the Earnest Money Deposit, or Deposits, if applicable, as liquidated sarrages. Buyer and Seller agree that liquidated damages would be difficult and impractical to calculate, and the Earnest Money Deposit, or Deposits. If applicable, is a fair and reasonable estimate of Seller's damages in the event Buyer fails to obtain the Loan. 8.4 ADDITIONAL EARNEST MONEY DEPOSIT. If the REPC has not been previously canceled by Buyer as provided in Sections 8.1, 8.2 or 8.3, as applicable, then no later than the Due Diligence Deadline, or the Financing & Appraisal Deadline, whichever is later, Suyer: [ ] WILL [ ] WILL NOT deliver to the Buyer's Brokerage, on Additional Eamest Money Deposit in the amount of \$\_\_\_\_\_ the Additional Earnest Money Deposit, if applicable, are corretines referred to herein as the "Deposits". The Earnest Money Deposit, or Deposits, if applicable, shall be credited toward the Purchase Price at Closing. 9. ADDENDA. There [ ] ARE [ ] ARE NOT addends to the REPC containing additional terms. If there are, the terms of the following addends are [ ] Seller Financing Addendern [ ] FHAVA Loan Addendum incorporated into the REPC by this reference: [ ] Addendum No. \_\_\_\_\_ [ ] Other (specify) 10. HOME WARRANTY PLAN / AS 45 CONDITION OF PROPERTY. 18.1 Home Warranty Plan. A one-year Home Warranty Plan [ ] WILL [ ] WILL NOT be included in this transaction. If included, the Home Warranty Plan chall be ordered by [ ] Buyer [ ] Seller and shall be inseed by a company selected by [ ] Buyer [ ] Seller. The cost of the Home Warranty Plan shall not exceed \$ \_\_\_\_\_ and shall be paid for at Settlement by [ ] Buyer [ ] Seller. 18.2 Condition of Property/Buyer Adknowledgements. Buyer acknowledges and agrees that in reference to the physical condition of the Property: (a) Buyer is purchasing the Property in its "As-its" condition without expressed or implied warrantes of any kind; (b) Buyer shall have, during Buyer's Due Diligence as referenced in Section 5.1, an opportunity to completely inspect and evaluate the condition of the Property, and (c) if based on the Buyer's Due Diligence, Suyer elects to proceed with the purchase of the Property, Buyer is relying wholly on Buyer's own judgment and that of any contractors or inspectors engaged by Buyer to review, evaluate and inspect the Property. The provisions of Section 10.2 shall survive Closing. 18.3 Condition of Property/Seller Acknowledgements. Seller acknowledges and agrees that in reference to the physical condition of the Property, Seller agrees to, (a) disclose in writing to Buyer defects in the Property known to Seller that materially affect the value of the Property that cannot be discovered by a reasonable inspection by an ordinary grudent Buyer; (b) carefully review, complete, and provide to Buyer a written Selfer. properly condition disclosure as stated in Section T(a), (c) deliver the Property to Buyer in substantially the same general condition as it was on the side of Acceptance, as defined in Section 23, ordinary wear and lear excepted; (d) deliver the Property to Buyer in Incom-clean condition and free of slebris and personal belongings; and (e) repair any Seller or tenant moving related stamage to the Property at Seller's expense. The provisions of Section 10.3 shall survive Cleans. 11. FINAL PRE-SETTLEMENT WALK-THROUGH INSPECTION. No earlier than seven (7) colondar days prior to Settlement, and upon reasonable notice and at a reasonable time. Buyer may conduct a final pre-Settlement walk-through inspection of the Property to determine only that the Property is "as represented," meaning that the items enferenced in Sections 1.1, 1.2 and 8.1(b)(ii) ("the items") are respectively present, repaired or corrected as agreed. The failure to conduct a walk-through inspection or to claim that an item is not as represented shall not constitute a walver by Buyer of the right to receive, on the date of possession, the items as represented 12. CHANGES DURING TRANSACTION. Seller agrees that except as provided in Section 12.5 below, from the date of Acceptance until the date of Closing the following additional items apply: 12.1 Alterations/Improvements to the Property. No substantial alterations or improvements to the Property shall be made or undertaken without error written concert of Buyer. 12.2 Financial Encumbrances/Changes to Legal Title. No further financial encumbrances to the Property shall be made, and no changes in Page 4 of 6 pages Buyer's Initials \_\_\_\_\_\_ Date \_\_\_\_\_ Seller's Initials \_\_\_\_\_

| 3.3 Possession. Except as provided in Section 6.1(a) and (b), Seller shall deliver physical possession of the Property to Buyer as follows: [ ] Upon Recording; [ ]Hours after Recording; [ ]Calendar Days after Recording. In contracted rental of the Property prior to or after Closing, between Buyer and Seller, shall be by separate written agreement. Seller and Buyer shall each be responsible for any insurance coverage each party deems necessary for the Property including any personal property and belongings. The provisions of this Section 3.3 shall survive Closing.   |
|---|
|   |
| <ul> <li>4.1 Prorations. All prorations, including, but not limited to, homeowner's association dues, property taxes for the current year, rents, and interest on assumed obligations, if any, shall be made as of the Settlement Deadline referenced in Section 24(d), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The provisions of this Section 4.1 shall survive Closing.         <ul> <li>4.2 Special Assessments. Any assessments for capital improvements as approved by the homeowner's association ("HOA") (pursuant to HOA governing documents) or as assessed by a municipality or special improvement district, prior to the Settlement Deadline shall be paid for by:</li></ul></li></ul> |
|   |
| (c) HOA/Other Entity Fees Due Upon Change of Ownership. Some HOA's, special improvement districts and/or other specially planned areas, under their governing documents charge a fee that is due to such entity as a result of the transfer of title to the Property from Seller to Buyer.  |

areas, under their governing documents charge a fee that is due to such entity as a result of the transfer of title to the Property from Seller to Buyer. Such fees are sometimes referred to as transfer fees, community enhancement fees, HOA reinvestment fees, etc. (collectively referred to in this section as "change of ownership fees"). Regardless of how the change of ownership fee is titled in the applicable governing documents, if a change of ownership fee is due upon the transfer of title to the Property from Seller to Buyer, that change of ownership fee shall, at Settlement, be paid for by:

[ ] Seller [ ] Buyer [ ] Split Equally Between Buyer and Seller [ ] Other (explain)

The provisions of this Section 4.3(c) shall survive Closing.

- (a) Long-Term Lease or Rental Agreements. Buyer agrees to accept title to the Property subject to any long-term tenant lease or rental agreements (meaning for periods of thirty (30) or more consecutive days) affecting the Property not expiring prior to Closing. Buyer also agrees to accept title to the Property subject to any existing rental and property management agreements affecting the Property not expiring prior to Closing. The provisions of this Section 6.1(a) shall survive Closing.
- (b) Short-Term Rental Bookings. Buyer agrees to accept title to the Property subject to any short-term rental bookings (meaning for periods of less than thirty (30) consecutive days) affecting the Property not expiring prior to Closing. The provisions of this Section 6.1(b) shall survive Closing.
- 7. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to Buyer the following documents in hard copy or electronic format which are collectively referred to as the "Seller Disclosures":
- (a) a written Seller property condition disclosure for the Property, completed, signed and dated by Seller as provided in Section 10.3;
- (b) a Lead-Based Paint Disclosure & Acknowledgement for the Property, completed, signed and dated by Seller (only if the Property was built prior to 1978);
- (c) a Commitment for Title Insurance as referenced in Section 6.1;
- (d) a copy of any restrictive covenants (CC&R's), rules and regulations affecting the Property;
- (e) a copy of the most recent minutes, budget and financial statement for the homeowners' association, if any;
- (f) a copy of any long-term tenant lease or rental agreements affecting the Property not expiring prior to Closing;
- (g) a copy of any short-term rental booking schedule (as of the Seller Disclosure Deadline) for guest use of the Property after Closing;
- (h) a copy of any existing property management agreements affecting the Property;
- (i) evidence of any water rights and/or water shares referenced in Section 1.4;
- (j) written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations;
- (k) In general, the sale or other disposition of a U.S. real property interest by a foreign person is subject to income tax withholding under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). A "foreign person" includes a non-resident alien individual, foreign corporation, partnership, trust or estate. If FIRPTA applies to Seller, Seller is advised that Buyer or other qualified substitute may be legally required to withhold this tax at Closing. In order to avoid closing delays, if Seller is a foreign person under FIRPTA, Seller shall advise Buyer in writing; and
- (I) Other (specify)

#### 8.3 FINANCING CONDITION. (Check Applicable Box)

- (a) [ ] No Financing Required. Buyer's obligation to purchase the Property IS NOT conditioned upon Buyer obtaining financing. If checked, Section 8.3(b) below does NOT apply.
- (b) [ ] Financing Required. Buyer's obligation to purchase the Property IS conditioned upon Buyer obtaining the Loan referenced in Section 2.1(c). This Condition is referred to as the "Financing Condition." If checked, Sections 8.3(b)(i), (ii) and (iii) apply; otherwise they do not. If the REPC is not cancelled by Buyer as provided in Sections 8.1(b) or 8.2(a), then Buyer agrees to work diligently and in good faith to obtain the Loan.
- (ii) Buyer's Right to Cancel After the Financing & Appraisal Deadline. If after expiration of the Financing & Appraisal Deadline referenced in Section 24(c), Buyer fails to obtain the Loan, meaning that the proceeds of the Loan have not been delivered by the Lender to the escrow/closing office as required under Section 3.2, then Buyer shall not be obligated to purchase the Property and Buyer or Seller may cancel the REPC by providing written notice to the other party.
- (iii) Earnest Money Deposit(s) Released to Seller. If the REPC is cancelled as provided in Section 8.3(b)(ii), Buyer agrees that all of Buyer's Earnest Money Deposit, or Deposits, if applicable (see Section 8.4 below), shall be released to Seller without the requirement of further written authorization from Buyer. Seller agrees to accept, as Seller's exclusive remedy, the Earnest Money Deposit, or Deposits, if applicable, as liquidated damages. Buyer and Seller agree that liquidated damages would be difficult and impractical to calculate, and the Earnest Money Deposit, or Deposits, if applicable, is a fair and reasonable estimate of Seller's damages in the event Buyer fails to obtain the Loan.

#### 10. HOME WARRANTY PLAN / AS-IS CONDITION OF PROPERTY.

- 10.1 Home Warranty Plan. A one-year Home Warranty Plan [ ] WILL [ ] WILL NOT be included in this transaction. If included, the Home Warranty Plan shall be ordered by [ ] Buyer [ ] Seller and shall be issued by a company selected by [ ] Buyer [ ] Seller. The cost of the Home Warranty Plan shall not exceed \$ and shall be paid for at Settlement by [ ] Buyer [ ] Seller.
- 10.2 Condition of Property/Buyer Acknowledgements. Buyer acknowledges and agrees that in reference to the physical condition of the Property: (a) Buyer is purchasing the Property in its "As-Is" condition without expressed or implied warranties of any kind; (b) Buyer shall have, during Buyer's Due Diligence as referenced in Section 8.1, an opportunity to completely inspect and evaluate the condition of the Property; and (c) if based on the Buyer's Due Diligence, Buyer elects to proceed with the purchase of the Property, Buyer is relying wholly on Buyer's own judgment and that of any contractors or inspectors engaged by Buyer to review, evaluate and inspect the Property. The provisions of Section 10.2 shall survive Closing.
- 10.3 Condition of Property/Seller Acknowledgements. Seller acknowledges and agrees that in reference to the physical condition of the Property, Seller agrees to: (a) disclose in writing to Buyer defects in the Property known to Seller that materially affect the value of the Property that cannot be discovered by a reasonable inspection by an ordinary prudent Buyer; (b) carefully review, complete, and provide to Buyer a written Seller property condition disclosure as stated in Section 7(a); (c) deliver the Property to Buyer in substantially the same general condition as it was on the date of Acceptance, as defined in Section 23, ordinary wear and tear excepted; (d) deliver the Property to Buyer in broom-clean condition and free of debris and personal belongings; and (e) repair any Seller or tenant moving-related damage to the Property at Seller's expense. The provisions of Section 10.3 shall survive Closing.

the legal title to the Property shall be made without the prior written consent of Buyer.

- 12.3 Property Management Agreements. No changes to any existing property management agreements that be made and no new property management agreements may be entered into without the prior written concert of Buyer.
- £2.4 Long-Term Lease or Rental Agreements. No changes to any existing brand loose or rental agreements shall be made and no new long-term lease or rental agreements, as defined in Section 6.1(a), may be entered into without the prior written consent of Buyer.
- 12.5 Shoot-Term Rental Bookings. If the Property is made evaluable for short-term rental bookings as defined in Section 6.1(b), Seller MAY. Made after the Seller Cradiosure Deadline confirms to accept short-term rental bookings for guest use of the property without the prior written consent of Buser.
- AUTHORITY OF SIGNERS. If Buyer or Seler is a corporation, partnership, trust, estate, limited liability company or other entity, the person signing the REPC on its behalf warrants his or her authority to do so and to bind Buyer and Seller.
- 14. COMPLETE CONTRACT. The REPC together with its addends, any attached exhibits, and Seller Disclosures (collectively referred to as the "REPC"), constitutes the entire contract between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties whether vertual or otherwise. The REPC cannot be changed except by written agreement of the parties.
- 15. MEDIATION. Any dispute relating to the REPC assing prior to or after Closing [1] SHALL [1] MAY AT THE OPTION OF THE PARTIES that he submitted to mediation. Mediatron is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediatron cannot impose brinding decisions. The parties to the dispute must agree before any scene remains a binding. The parties will jointly appoint an acceptable mediator and share equally in the cost of such mediation. If mediation fails, the other procedures and remedies available under the REPC shall apply. Nothing in this Section 15 prohibits any party from socking emergency legisl or equitable roller, pending mediation. The provisions of this Section 15 shall survive Closing.

#### 16. DEFAULT

- 16.1 Buyer Default. If Buyer defaults, Seller may elect one of the following remodes: (a) cancel the REPC and retain the Earnest Money Deposit, or Deposits, if applicable, as figuidated damages; (b) maintain the Earnest Money Deposit, or Deposits, if applicable, in trust and sale Buyer to specifically written the REPPC, or (c) return the Earnest Money Deposit, or Deposits, if applicable, to Buyer and pursue any other emedies available at
- 16.2 Seller Default. If Seller defaults, Buyer may elect one of the following remodes: (a) cancel the REPC, and in addition to the return of the Earnest Money Deposit, or Deposits, if applicable, Buyer may elect to accept from Seller, in legislated damages, a usu equal to the Earnest Money Deposit, or Deposits, if applicable, in that and use Seller to specifically entone the REPC; or (c) accept a return of the Earnest Money Deposit, or Deposits, if applicable, in that and use Seller to specifically entone the REPC; or (c) accept a return of the Earnest Money Deposit, or Deposits, if applicable, and pursue any other remodes available at law. If there exists to accept fluidated damages. Seller accepts to save the Earnest to Saver uson deferred.
- 17. ATTORIXEY FEES AND COSTS/GOVERNING LAW. In the event of litigation or binding prishtation prising out of the transaction contemplated by the REPC, the prevailing party shall be entitled to costs and misconable altomay fees. However, attentary fees shall not be awarded for participation in seedledon under Socioto 15. This contract thall be governed by and construed in accordance with the laws of the State of Utah. The provisions of this Socioto 17 shall purishe Colorus.
- 18. NOTICES. Except as provided in Section 23, all notices required under the REPC must be: (a) in writing; (b) signed by the Buyer or Soller, policy and (c) received by the Buyer or the Seller, or their respective egent, or by the brokerage firm representing the Buyer or Seller, no taler than the applicable doze referenced in the REPC.
- 19. NO ASSIGNMENT. The REPC and the rights and obligations of Buyer hereunder, are personal to Buyer. The REPC may not be assigned by Buyer without the prior written concert of Select. Provided, however, the transfer of Buyer's interest in the REPC to any business entity in which Buyer holds a legal interest, including but not brinded to, a family partnership, for type right, interest within company, perhaps, or corporation (collectively referred to as a "Permissible Transfer"), shall not be trested as an assignment by Buyer that requires Select's prior written consent. Furthermore, the inclusion of "analtra assignm" or similar language on the line identifying Buyer on the first page of the REPC shall constitute Select's written consent only to a Permissible Transfer.

#### 20. INSURANCE & RISK OF LOSS.

- 29.1 Insurance Coverage. As of Closing, Buyer shall be responsible to obtain casualty and liability insurance coverage on the Property in amounts acceptable to Buyer and Buyer's Lender, if applicable.
- 28.2 Risk of Loss. If prior to Closing, any part of the Property is damaged or destroyed by fire, vandalism, flood, carthquake, or act of God, the risk of such loss or damage shall be borne by Geller, provided however, that if the cost of repairing such loss or damage would exceed ten percent [10%] of the Purchase Price referenced in Section 2, either Seller or Buyer may elect to canced the REPC by providing written notice to the other party, in which instance the Earnest Maney Deposit, if applicable, shall be instanced to Buyer.
- 21. TIME IS OF THE ESSENCE. Time is of the excence regarding the dates set furth in the REPC. Extensions must be agreed to in writing by all performs unless otherwise explicitly stated in the REPC. (a) performance under each Section of the REPC which references a date shall absorbably be required by 500 PM Mountain Time on the stated date; and (b) the term "days" and "calendar days" shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement (e.g. Acceptance). Performance dates and times referenced herein shall not be binding upon title companies, lenders, appraises and others not parties to the REPC, except as otherwise agreed to in writing by such non-party.

| Page 5 of 5 pages. | Buyer's Initials | Date | Seller's Initials | Date | - |
|--------------------|------------------|------|-------------------|------|---|
|--------------------|------------------|------|-------------------|------|---|

| Eignatures.               | SERVICE DANIES    | ation are seen to be a fine to | shall be deemed original sign   |  | all street and the control of |
|---------------------------|-------------------|--------------------------------|---|--|-------------------------------|
|                           | co; and (b) Selen |                                | following have occurred: (a) So<br>port has communicated to the               |  |                               |
| 24. CONTRACT DEADLIN      | ES. Buyer and S   | eller agree that the           | following deadlines shall apply   | to the REPC  |                               |
| (a) Seller Disclosure Dea | dine              | -                              |   | (Date)   |                               |
| (b) Due Diligence Deadl   | ne                |                                |   | (Date)   |                               |
| (c) Financing & Apprais   | of Deadline       |                                |   | (Date)   |                               |
| (d) Settlement Deadline   |                   |                                |   | (Date)   |                               |
|                           | I I PM Mounta     |                                | urchase the Property on the at<br>(Dete), this of                             | ove terms and conditions. If 5<br>fer shall lapse; and the Bro |                               |
| (Buyer's Signature)       |                   | (Date)                         | (Buyer's Signature  | d .  | (Date)                        |
|                           |                   | ACCEPTANCE.                    | CEICOUNTEROFFERIREJEC   | Tron   |                               |
| CHECK ONE:                |                   |                                | ts the foregoing offer on the to  |  |                               |
|                           |                   |                                |   |  |                               |
| (Seller's Signature)      | (Date)            | (Time)                         | (Seller's Signature   | e) (Date)  | (Time)                        |
| THEE FOR                  | M APPROVED BY     | THE LITERS REAL EST.           | (Seley's Signatur<br>ate commersion and five offi<br>replace and suppresede t | CE OF THE UT2H APPORNEY OF                                     | NERAL.                        |

## FHA Addendum

#### EHAWA LOAN ADDENDUM

| IHIS  | IS AN ADDEN  | 20 including a  | all prior addenda an   | d counteroffers, between _   |  |
|---|--|---|--|--|--|
| _   |  | as Buyer, and   |  |  | arding the Property located at<br>following terms are hereby   |
|   |  | of the REPC. All referen<br>CHECK APPLICABLE E  |  |  | ing Administration/Department  |
| 5   | Buyer [ ] D  | OES [ ] DOES NOT int  | end to occupy the P  | roperty as his/her residence   | ie.  |
| the Por Victorial to the determinant to the condition of | est Money Depo<br>furchase Price e<br>A appraisal, or<br>ing costs) establi-<br>a amount of the<br>mine the maximition of the Prop | esit or other down payme<br>exceeds the reasonable v<br>(b) for an FHA loan, the<br>shed by the FHA appraise<br>appraised valuation ma<br>num loan that FHA will in | ent, or otherwise be<br>value of the Property<br>e Purchase Price et<br>al. Buyer shall, how<br>dide by the applicable<br>houre or VA will gu<br>y himselftherself tha | obligated to purchase the<br>y established by the VA Co<br>xceeds the appraised val-<br>xever, have the right to co-<br>le FHA or the VA. The a<br>arantee. Neither FHA nor<br>If the price and condition of | ny penaity or forfeiture of the<br>Property, if: (a) for a VA loan,<br>ertificate of Reasonable Value<br>us of the Property (excluding<br>implete the sale without regard<br>ppraised valuation is used to<br>the VA warrants the value of<br>if the Property are acceptable |
| ),  | Seller shall m   | nake any and all appraisa   | i required repairs, p  | rovided that the cost does   | not exceed \$  |
|   | roperty to be fr   | ee and clear from termit  | te infestation. In th  |  | Pest Control Report showing<br>ion, Seller shall eradicate the   |
| 5.<br>Buye  |  | rtain costs associated wi<br>applicable box):   | th the granting of a   | mortgage loan, some of w   | hich FHA/VA will not allow the   |
| contr<br>alloca<br>the a<br>Selle   | and closing rel<br>ibution shall firs<br>ated at Buyer's o<br>imount of Seller   | tated costs ("Loan Cost<br>if be applied to Loan Co<br>discretion toward remains<br>it's contribution exceeds   | s'). The amount<br>ists that FHAVA wing Loan Costs. Set<br>the amount of act.  | of Seller's contribution st<br>it not permit Buyer to pay<br>ter shall have no further ob<br>all Loan Costs, then such   | oan discount points and other<br>half be \$ Such<br>, and any remainder shalf be<br>digation toward Loan Costs. If<br>h excess shalf be returned to<br>ler's obligations under Section   |
|   | 5.2 [ ]  | Seller shall not contrit  | bute any amount toy  | ward Loan Costs.   |  |
|   |  | f, and that any other ag  |  |  | PC are true to the best of our<br>as been fully disclosed and is   |
| 7.<br>FHAI  |  | sion in the REPC or this<br>tions, then to the extent of  |  |  | rilly applicable law governing   |
|   |  |   |  |  |  |

| not modified by this ADDENDU<br>Mountain Time            | shall control<br>M shall remain<br>(Date) | All other term<br>the same. [<br>), to accept the | ict with any provisions of the REF or so of the REPC, including all pric ) Seller   1 Buyer shall have a bernes of this FHAVA LOAN AD pted, the offer as set forth in FHA | until [ ] A                          | unteroffers<br>VM [ ] PM<br>rdance wit |
|--|---|---|---|--------------------------------------|--|
| ] Buyer [ ] Seller Signature                             | Date                                      | Time  | [ ] Buyer [ ] Seller Signature  | e Date                               | Time                                   |
|  | ACCEPT                                    | TANCE/COUN  | ITEROFFER/REJECTION   |                                      |  |
| CHECK ONE:   |   |   |   |                                      |  |
| 1 ACCEPTANCE: [ ] Se                                     | der [ ] Buye                              | er hereby acce                                    | epts the terms of this FHAVA LO   | AN ADDENDUM.                         |  |
| ] COUNTEROFFER: [ ]                                      | Seller [ ] Bu                             | yer presents                                      | as a counteroffer the terms of atta   | ached ADDENDUM                       | 1 NO                                   |
| ] REJECTION: [ ] Seller                                  | [ ] Buyer rej                             | ects the foreg                                    | oing FHAVA LOAN ADDENDUM  | L                                    |  |
|  |   |   |   |                                      |  |
| Signature)   | (Date)                                    | (Time)  | (Signature)   | (Date)                               | (Time                                  |
|  |   |   |   |                                      |  |
| Signature)   | (Date)                                    | (Time)  | (Signature)   | (Date)                               | (Time)                                 |
|  |   |   |   |                                      |  |
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|  |   |   |   |                                      |  |
| THIS FORM APPROVED BY<br>EFFECTIVE AUGUST 27, 2008. AS O | THE UTAH REAL                             | 2009, IT WILL RI                                  | MISSION AND THE OFFICE OF THE UTI<br>IPLACE AND SUPERCEDE THE PREVI<br>S FORM.  | AH ATTORNEY GENE<br>OUSLY APPROVED Y | RAL,<br>ERSION OF                      |

| a di lode cuoli l   |   | t Money Sales Agreen  | nent dated the  |   |                                    |
|---|---|---|---|---|------------------------------------|
|   | as Seller   | and   | as Buyer of the real  | property described as follows:  |                                    |
|   |   | LISTING/SELLING   | G BROKERAGE INFORMA   | TION  |                                    |
| Listing Brok  | erage   | Business Addre  | ess   | Phone   |                                    |
| Selling Brok  | erage   | Business Addre  | ess   | Phone   |                                    |
| Listing Ager  | nt Phone  | Se  | elling Agent  | Phone   |                                    |
|   |   |   |   |   |                                    |
|   |   | BROKE   | ERAGE COMMISSION  |   |                                    |
| Selling Brok<br>shall supers<br>which repre<br>disburse the                 | erages, regarding the pede those prior agreem sents% of the ag  | payment of a real esta<br>nents. The total real es<br>preed sales price of \$_<br>on directly to the Listin   | ate brokerage commission or<br>state brokerage commission<br>The undersign<br>ng and Selling Brokerages ir  | en the Buyer or Seller and the<br>r fee, the terms of these Escro-<br>to be paid in this transaction is<br>ed authorize and direct the clo-<br>n the following manner: \$ | w Instructions \$, osing office to |
| Selling Brok<br>shall supers<br>which repre<br>disburse the<br>Listing Brok | erages, regarding the pede those prior agreem<br>sents% of the ag<br>brokerage commission   | payment of a real esta<br>nents. The total real es<br>greed sales price of \$_<br>on directly to the Listin<br>he Selling Brokerage;  | ate brokerage commission or<br>state brokerage commission<br>The undersign<br>ng and Selling Brokerages ir  | r fee, the terms of these Escro<br>to be paid in this transaction is<br>ed authorize and direct the clo   | w Instructions \$, osing office to |
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### Long Term & Short Term Leases

- 6.1 Title to Property. Seller represents that Seller has fee title to the Property and will convey marketable title to the Property to Buyer at Closing by general warranty deed. Buyer does agree to accept title to the Property subject to the contents of the Commitment for Title Insurance (the "Commitment") provided by Seller under Section 7, and as reviewed and approved by Buyer under Section 8.
- (a) Long-Term Lease or Rental Agreements. Buyer agrees to accept title to the Property subject to any long-term tenant lease or rental agreements (meaning for periods of thirty (30) or more consecutive days) affecting the Property not expiring prior to Closing. Buyer also agrees to accept title to the Property subject to any existing rental and property management agreements affecting the Property not expiring prior to Closing. The provisions of this Section 6.1(a) shall survive Closing.
- (b) Short-Term Rental Bookings. Buyer agrees to accept title to the Property subject to any short-term rental bookings (meaning for periods of less than thirty (30) consecutive days) affecting the Property not expiring prior to Closing. The provisions of this Section 6.1(b) shall survive Closing.
- that issued the Commitment (the "Issuing Agent"), the most current version of the ALTA Homeowner's Policy of Title Insurance (the "Homeowner's Policy"). If the Homeowner's Policy is not available through the Issuing Agent, Buyer and Seller further agree as follows: (a) Seller agrees to pay for the Homeowner's Policy if available through any other title insurance agency selected by Buyer; (b) if the Homeowner's Policy is not available either through the Issuing Agent or any other title insurance agency, then Seller agrees to pay for, and Buyer agrees to accept, the most current available version of an ALTA Owner's Policy of Title Insurance ("Owner's Policy") available through the Issuing Agent.

### Seller Disclosures- Leases & Rental Agreements

- 7. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to Buyer the following documents in hard copy or electronic format which are collectively referred to as the "Seller Disclosures":
- (a) a written Seller property condition disclosure for the Property, completed, signed and dated by Seller as provided in Section 10.3;
- (b) a Lead-Based Paint Disclosure & Acknowledgement for the Property, completed, signed and dated by Seller (only if the Property was built prior to 1978);
- (c) a Commitment for Title Insurance as referenced in Section 6.1;
- (d) a copy of any restrictive covenants (CC&R's), rules and regulations affecting the Property;
- (e) a copy of the most recent minutes, budget and financial statement for the homeowners' association, if any;
- (f) a copy of any long-term tenant lease or rental agreements affecting the Property not expiring prior to Closing;
- (g) a copy of any short-term rental booking schedule (as of the Seller Disclosure Deadline) for guest use of the Property after Closing;
- (h) a copy of any existing property management agreements affecting the Property;
- (i) evidence of any water rights and/or water shares referenced in Section 1.4;
- (j) written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations;
- (k) In general, the sale or other disposition of a U.S. real property interest by a foreign person is subject to income tax withholding under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). A "foreign person" includes a non-resident alien individual, foreign corporation, partnership, trust or estate. If FIRPTA applies to Seller, Seller is advised that Buyer or other qualified substitute may be legally required to withhold this tax at Closing. In order to avoid closing delays, if Seller is a foreign person under FIRPTA, Seller shall advise Buyer in writing; and
- (I) Other (specify)

| 7. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline referenced in Section 24(a), Seller shall provide to  |
|---|
| Buyer the following documents which are collectively referred to as the "Seller Disclosures":   |
| (a) a Seller property condition disclosure for the <i>Property</i> , signed and dated by Seller;  |
| (b) a Commitment for Title Insurance on the Property;   |
| (c) a copy of all leases and rental agreements now in effect with regard to the <i>Property</i> together with a current rentroll;   |
| (d) operating statements of the Property for its last full fiscal years of operation plus the current fiscal year through   |
| certified by the Seller or by an independent auditor;   |
| (e) copies in Seller's possession, if any, of any studies and/or reports which have previously been done on the <i>Property</i> , including without limitation, environmental reports, soils studies, site plans and surveys; |
| (f) written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning<br>code violations; and  |
| (a) Other (specify)   |

## Lender Instructions

- Chase Home Finance
  - 6 pages
- Bank of America
  - 25 Pages
- Provident Funding
  - 6 Total Pages
- America First Credit Union
  - 2 or 3 pages
- Axiom Financial
  - 6 Pages
- Wells Fargo
  - 6-8 Pages



| DELIVERY  The HU mail the Manager of the Hull mail the Manager of the Hull mail the Hu | 1) THE FIN 2) PROVID ALL LOAN 3) BORROY THIS MAY 4) CASH BAC 4) CASH BAC 5) SELLER INSPECTIC AMENDAT CONTRAC | CREDIT:  200. AMOUN 204. 2ND MT 205. 206. The hor 207. costs as 208. berrows encloses certifica SETTLE: Statesce finds is 300. ITEN 1011. Lean 802. Lean 802. Lean 803. Appr 804. Credi 805. Lend 806. 2nd N 807. Tax 8 | mail the HUD-1 Settlement Statement and Wire Instructions to the Loan Closer for approval.  Please provide an e-mail address for the delivery of the loan documents.  When the HUD-1 Settlement Statement has been approved, an e-mail will be sent to the settlement agent that will provide a password protected link to down load and print the loan documents. The final Loan Application will be sent in a separate password protected e-mail. The password is the last four digits of the primary borrower's Social Security Number.  FUNDING/DISBURSEMENT: |
|--|--|---|---|
| ayton, UT failing Ac ayton, UT  De an cb   | Pol  | icy) covering the prop<br>of the Security Instr<br>In Schedule A of the   | the in a position to issue an extended coverage ALTA Lenders Policy of Title Insurance (Title perty described in the Security Instrument and insuring the validity and first priority position of the nument on the property subject to the following:  Title Policy the amount of insurance shall be \$ 172,720.00, the name of the insured shall be   |
| RE-CLO  DO  All lis  Ke  Less  All All   | b)   | AXIOM FINANCI<br>property shall be she<br>Schedule B, Part I of<br>exceptions shown or<br>on the Title Policy. A<br>shown as paid.  | IAL, LLC, title to the property shall be shown to be vested William L Barnes, the interest in the own as a fee simple and the insured mortgage is to be described as the Security Instrument. If the Title Policy shall contain only current but not delinquent property taxes and assessments and in the preliminary title report dated October 24, 2008 as item numbers 10-18 are approved to appear All taxes relating to the property that are to have been paid as of the date of the Title Policy shall be  |
| O Less to Hr   | c)   | 5-PUD, 6-ARM, 6.2   | ast contain the following Endorsements: 100, 116, 8.1. And, if applicable to this loan, 4-CONDO, 2-NEG AM, 7-MFD HOME, 352.7A-BALLOON.  |
| O Iri  | □ The  | 5-PUD, 6-ARM, 6.2   | st contain the following Endorsements: 100, 116, 8.1. And, if applicable to this loan, 4-CONDO, 2-NEG AM, 7-MFD HOME, 352.7A-BALLOON.  ginal recorded Security Instrument are to be delivered to AXIOM FINANCIAL, LLC within 60 days  |

### Seller Proceed and Wire Transfer Instructions

### INSTRUCTIONS FOR NET PROCEEDS Date: August 23, 2017 Econow No.: 6-874388 TO: Backman Title Services Ltd. I'We hereby surhorize and direct Backman Tatle Services Ltd. to dirburce my/our net proceeds at follows: (Check the applicable section) Hold the proceeds check for pick up and call when check is ready at the following number: I'we authorized the proceeds check to be picked up by: I've autract that the proceeds check be sent to our agent. I've instruct Bockman Title Services Ltd. to wire proceeds as detailed specifically in the attached Transfer the pet proceeds to the following escrow: Company Escrow Officer. Split proceeds at follows: (Please unicate names, amounts or percentages) I'we instruct Backman Title Services Ltd. to mail out proceeds to the following address:



#### WIRE TRANSFER INSTRUCTIONS

|  | Net Proceed: Due the Underragued   |  |
|--|--|--|
| _  | 5  |  |
|  | Other  |  |
| Receiving Bank                             |  |  |
| Caty/State:                                |  |  |
| ABA No.:                                   | 7  |  |
| Account Name                               |  |  |
| Account No :                               |  |  |
| Noney.                                     |  |  |
| Place                                      |  |  |
| Memo                                       | Q  |  |
| Other:                                     | S  |  |
| not be liable for a<br>Services, Ltd. have | finals are wire transferred in accordance with these instructions, Backman<br>way act or omission of very financial muthation or any other person, nor sk<br>we say liability for loss of funds or interest thereon. In no event will dome<br>and Funds rate, adjusted duily, for the number of days that such funds are | all Backman Title<br>ages exceed interest at a |
|  | shall indemnify and hold harmless Backman Title Services, Ltd., in successful cost incurred as a result of any incorrect information supplied.   | essors and assigns, from                       |
| damages, regardle                          | Backman Title Services, Ltd. be liable for any special, consequential, ind<br>ess of whether any claim is based on contract or tort whether the likelihoo<br>an Title Services. Ltd.   |  |

### Good Funds

- 1- Cash may be disbursed on the same day the cash is deposited.
- 2- A wire transfer may be disbursed on the same day the wire transfer is deposited.
- 3- For **amounts under \$10,000.00** The proceeds of a **cashier's check, certified check, or official check** that is drawn on an existing account at a federally insured financial institution **may** be disbursed on the same day the financial instruments are deposited if received from a single party to the real estate transaction or less than \$10,000 in aggregate from all the parties.

The following (4-6) **may** also be disbursed the same day they are deposited.

- 4- A personal check not to exceed \$500 per closing.
- 5- A check drawn on the escrow account of another title producer.
- 6- Checks drawn on the **trust account of a principal broker, or associate** broker.



## Wires

- Wire out cutoff time is 3:30 PM
  - To other title companies
  - To Lenders
  - Transaction Proceeds to borrowers and sellers
- Sometimes wires do not post until 4:30 PM or later
- County Recorder offices close at 5:00 PM

## #TerribleInstructions

- Another one: The 2008 REPC Page 6 has a place for buyer and sellers address and phone. The 2017 REPC is missing that section.
   Nothing is more helpful than having customers emails and phones.
- Wrong names searched, people on Contract are not the people on title
- In correct address & multiple lots
- Solar Panel & UCC
- My favorite: seller to pay 3% of closing costs. Great! That's only like \$150.

## Title Insurance

Does not always cover Escrow Mistakes



## **ESCROW CLAIMS**

Escrow losses are not covered through title insurance

- 1. Escrow Claims can result from the mismanagement of funds
- 2. Are usually the result of incomplete/incorrect information
- 3. Can also be caused by incompetence, laziness or not knowing

- Escrow Claims
- 1. Payoffs
  - FHA Payoffs
  - Second Mortgage/HELOC Closeout
- 2. Mechanic Liens
- 3. Fraud
- 4. Bad Prorations
  - 1. HOA
  - 2. Taxes
  - 3. Water/Sewer
- 5. Notary Duties
  - 1. Fraud
  - 2. Probate
  - 3. Business/LLC Losses

## What is a Closing Protection Letter?

The lender's policy is issued as an indemnification related to borrower covenants and insures the lender's desired lien position. The policy is mainly provided to insure against defects and liens from the past. A lenders policy is only issued after a loan has funded and recorded and the effective date is based on when the deed of trust is recorded.

A CPL gives the insured extra coverage for events that may happen before, during and after settlement. While protection for the lender's begins after the securing document is recorded, coverage from the CPL becomes effective upon the delivery of the title commitment.

A CPL is also different because the underwriter insures the lender against actions of their title agency. Lenders request CPL's because the actions of a title agency prior to the issuing of the policy can affect the ability to enforce a lien. It is also true that some agency actions can also put a lenders funds at risk.

When the CPL is issued the underwriter backs up actions made by an individual title agent. Among other things, and subject to certain exclusions, the underwriter indemnifies against certain actions or inactions of its title agent, such as the following:

- 1- Fail to comply with a lenders written closing instructions
- 2- Fail to properly record documents
- 3- Act in a negligent or fraudulent way

## Licenses, Bonds and Insurance

- State of Utah Department of Insurance
- License Number 4426
- Errors and Omission (E&O)
- Coverage for title insurance, abstractors, escrows and closing
- \$1,000,000 policy, See the attached copy
- Fidelity Bond Requirements
- Utah Code <u>31A-23a-204(2)</u> requires a minimum bond of \$250,000
- Backman maintains a \$500,000 fidelity and crime protection bond
  - See attached copy

## Title Insurance Claims

## How to make a claim

Contact your local title agent

Contact your underwriter

Submit your claim by mail