SERVICE AGREEMENT/ESCROW INSTRUCTIONS

Contract Date: FIELD(DATE)
Property Address: FIELD(PROP ADDR)

Seller(s): FIELD(SLR(S))
Mailing Address: FIELD(SLR ADDR)

Purchaser(s): FIELD(PUR(S))
Mailing Address: FIELD(PUR ADDR)

Escrow Agent: **Hutchinson Escrow Services, Inc.**
16 West 4th Avenue, Suite C
Hutchinson, KS 67501
Phone: (620) 662-0190
Email: info@hutchescrow.com

Hutchinson Escrow Services, Inc. is acting as Escrow Agent under the terms of the Contract as expressly detailed in the following.

1. Documents.
   a. The Escrow Agent will hold all documents receipted below, until the full and complete performance of the Contract, whereupon each document shall be delivered to the party entitled thereto. The acceptance of documents for collection and disbursement by the Escrow Agent *does not* make the Escrow Agent liable in any way for their accuracy, validity, form, execution, content and/or terms.

   b. The Escrow Agent hereby acknowledges receipt of:
   (X) Original Contract (X) Original Conveying Deed(s)
   (X) Affidavit of Equitable Interest

2. Payments, Fees and Accounting.
   a. The Escrow Agent shall receive payments and remit them as directed and detailed in the Contract. There *shall be no liability* upon the Escrow Agent for collection of any payments whether due, late or delinquent. The Escrow Agent **is not responsible** for sending any notification to the Seller(s) regarding the status of said payments.

   The Escrow Agent **IS NOT a collection agency** and will do **NO collection** of payments through mail or telephone collections.

   b. Unless otherwise instructed, the Escrow Agent may accept payments made on or before the due date specified in the Contract, whether or not they are more than the amount scheduled, and may accept payment in full of the current Contract balance based on the last accounting made to Seller(s) and Purchaser(s).

   The Escrow Agent may accept payment made after the due date without liability. Any past due payments accepted by the Escrow Agent will be applied according to the payment provisions set forth in the Contract. Any amount paid above the regular payment amount will be automatically applied toward principal unless otherwise instructed by the Purchaser(s). The Escrow Agent reserves the right to refuse partial payments and WILL NOT apply partial amounts received towards any delinquency of the account.

   c. The Escrow Agent accepts the following forms of payment:
      i. Personal check
      ii. Money order or cashier check

Hutchinson Escrow Services Inc.

iii. Debit or credit card - additional administrative fees apply
iv. ACH/EFT - automatic withdrawal from a checking or savings account
v. **Cash payments ARE NOT accepted**.

Any payment the Escrow Agent receives, is credited to the account CONDITIONALLY. If any payment item is dishonored for any reason, upon notification by the Escrow Agent, the responsible party will resolve said issue within fourteen (14) days as per K.S.A. 60-2610.

Regarding an ACH/EFT payment being returned dishonored for ANY REASON, the responsible party will be subject to redemption requirements as stated above. As well, the account will be immediately removed from the ACH/EFT process and not be allowed to return to the process for a period of one (1) calendar year from the date of dishonor.

In the case that the dishonored payment is toward a Contract payment and Purchaser(s) fail to resolve this issue as required, the Escrow Agent will recoup the funds in one of the following options:

(1) Escrow Agent will request that the Seller(s) return the amount of that payment immediately upon request and the payment will be reversed from the account.
OR
(2) Escrow Agent will withdraw from the reserve account, if funds are available, the amount of the dishonored payment, plus any fees and service charges incurred by Escrow Agent.

Under NO CIRCUMSTANCES do the above options remove the responsibility from the Purchaser(s) to redeem the dishonored payment within the required fourteen (14) days as stated above. Escrow Agent **reserves the right** to limit payment options to ONLY money order or cashier check as acceptable forms of payment.

d. Upon receipt of payment, the Escrow Agent strives to forward the Seller(s) proceeds as instructed per the Contract, the **next business day** following receipt of said payment; however, the Escrow Agent **will only guarantee** that the proceeds will be sent in three (3) business days following receipt of the payment. A business day is defined as any day the Escrow Agent's office is open. Days that are NOT business days include, but are not limited to, weekends and holidays.

e. The payment service fee of $FIELD(**SERV FEE**) is **solely and strictly** for the processing and disbursement of each payment.

It is collected for the acceptance of the payment, accounting of the transaction, issuing of the Seller(s) proceeds, the sending of a receipt to the Purchaser(s) and the annual 1098/1099 processing.

ii. The payment service fee will be charged to **the (KEYBOARD(FILL IN))Purchaser(s), (KEYBOARD(FILL IN))Seller(s), (KEYBOARD(FILL IN)) Split equally between Purchaser(s) and Seller(s);** however, the full fee is the responsibility of *both Seller(s) and Purchaser(s)*, even if there are no payments made on the account.
iii. This payment service fee will be assessed **each time** a payment transaction occurs as well as accrue for each payment period a payment is not received.

THE PAYMENT SERVICE FEE IS DUE FOR EACH PAYMENT PERIOD THE ACCOUNT REMAINS ACTIVE AND NOT OFFICIALLY TERMINATED *IN WRITING*.

iv. The payment service fee is subject to change upon 30 days notice from the Escrow

Hutchinson Escrow Services Inc.

Agent.

f. The Escrow Agent will annually provide Seller(s) and Purchaser(s) a complete account history listing of all transactions that occurred during that year, along with IRS forms #1099 (interest earned) and #1098 (interest paid) reporting. ***Should said documents be lost or misplaced, Escrow Agent will charge for the replacement and/or reproduction of these*** documents.

g. The Escrow Agent **will charge** a fee for any service or information provided outside the normal payment processing. The Escrow Agent **will also charge** a fee for the reproduction of documents or information previously provided.

h. There **will be** an additional $5.00 charge per check/disbursement when Escrow Agent is required by the Contract or instructed by the Seller(s) to issue more than one (1) Seller disbursement.

i. Seller(s) and Purchaser(s) acknowledge that delinquent accounts take much longer to service than accounts that are paid as agreed. Escrow Agent **will charge a $5.00 surcharge** to EACH PAYMENT TRANSACTION received more than 30 days after the due date. The Purchaser(s) is responsible for this fee and in the event that the Purchaser(s) does not add this fee to the payment, the fee will be deducted from the principal portion of the payment.

j. UNLESS OTHERWISE INSTRUCTED IN WRITING, the Escrow Agent is authorized to accept payment in full of the current Contract balance at any time and may interpret said payment as satisfaction of all the terms of the Contract and make delivery of all documents, but specifically the conveying deed(s), to the appropriate parties.

k. The Escrow Agent will maintain complete and accurate records of all transactions applied to the account.

l. Should any payments be made *outside the escrow*, either directly to Seller(s) or to any underlying mortgage company, Escrow Agent will deem this Agreement **null and void**. Additional fees will apply to reinstate this Agreement.

2. Reserve Account.

a. The undersigned parties hereby acknowledge that (KEYBOARD(Delete?)) the Escrow Agent will set up a reserve account for the payment of property tax and/or insurance premium(s) and Purchaser(s) will make payments as required in the Contract (KEYBOARD(Delete?)) NO reserve account is required on this Contract. Purchaser(s) and/or Seller(s) will pay property tax and/or insurance premium when due. Proof of payment must be provided when requested (KEYBOARD(Delete?)) the underlying mortgage company requires and controls the reserve account for the payment of property tax and/or insurance premium. The Purchaser(s) will make payments as required and Escrow Agent will forward said payments to the underlying mortgage as per the Contract.

b. The Escrow Agent will notify the Purchaser(s) and/or Seller(s) if the reserve account balance is insufficient to pay the property tax and/or insurance premium. They will be responsible for funding the reserve account as required per the Contract. The change in reserve account funding will be based on any increase or decrease of the property tax and/or insurance premiums.

c. As pertains to the insurance premium and payment of said premium:

i. The ***ONLY* responsibility** of the Escrow Agent is ***to pay the premium*** when the ***bill is submitted and received*** by the Escrow Agent. The Purchaser(s) and/or Seller(s) are **solely responsible** for ensuring that the Escrow Agent is in receipt of said billing to be

Hutchinson Escrow Services Inc.

able to pay the insurance premium when due.

ii. The Escrow Agent is not responsible in any way for the maintenance or notification to all affected parties regarding the insurance policy.

iii. The Escrow Agent is **NOT THE LIEN HOLDER** and the parties agree to advise the insurance company and insurance agent that the Seller(s) hereunder is the lien holder and all correspondence between the insurance company and the lien holder must be *direct to the Seller(s)* and not in care of the Escrow Agent in any manner.

d. Escrow Agent **reserves the right to terminate** its reserve account service if Purchaser(s) and/or Seller(s) continually fail to maintain adequate funding for payments of property tax and/or insurance premium when due.

3. Contract Terms and Escrow Agent Liability Exemptions.

a. The Escrow Agent SHALL NOT be held liable or responsible should the Seller(s) fail to divulge the existence of an underlying mortgage.

b. The Escrow Agent *is not* an attorney and there is **NO responsibility** on the part of the Escrow Agent to monitor, maintain or enforce any of the terms and conditions of the Contract.

c. Notwithstanding the terms of the Contract, upon receipt of written notice, from either party, alleging breach of the Contract by the other party the Escrow Agent shall take no further action, except by the agreement of all parties or by order of the court. The Escrow Agent is hereby relieved of liability for failure to act after receipt of such notice and prior to the agreement of the parties or receipt of a court order.

d. Any Notice received by the Escrow Agent, or modification(s) to the Contract, shall be effective only if such are in writing and signed by all parties thereto. A fee **will be charged** by the Escrow Agent to deal with the requirements of the notice or to effect such modification(s).

e. Seller(s) and Purchaser(s) understand that the Escrow Agent **IS NOT A TITLE COMPANY**, that no title examination was done by the Escrow Agent and that no title representation is made. That any information used by the Escrow Agent was provided by the Seller(s), Purchaser(s) or a title agency. Seller(s) and Purchaser(s) agree to hold the Escrow Agent harmless from any liability, or duty to perform, as pertains to real estate title.

f. In the event Purchaser(s) shall default in making payments as required by the Contract and has abandoned the property, Seller(s) hereby acknowledges that he/she/they **must obtain outside counsel** to bring and complete the foreclosure procedure to clear any title encumbrances or clouds to the title.

g. The Escrow Agent shall not be liable on account of the identity, authority or rights of the persons executing or delivering any document or paper. The Escrow Agent shall not be liable for any act or omission done in good faith, nor for any claims, demands or losses, nor for any damage made or suffered by any party to the escrow, excepting such as may arise through or be caused by its willful or gross negligence.

Hutchinson Escrow Services Inc.

The Covenants and Agreements herein contained shall inure and be binding on all parties hereto, their heirs, successors and assignees. Each party signing this Agreement acknowledges that he or she has read the entire agreement and agree to it's contents and terms.

Dated: FIELD(DATE)

_____ _____

FIELD(PUR1) -Purchaser(s) FIELD(SLR1) -Seller(s)

_____ _____

FIELD(PUR2) -Purchaser(s) FIELD(SLR2) -Seller(s)

_____ Agent, Hutchinson Escrow Services, Inc.

Hutchinson Escrow Services Inc.