

LAKE UNION

ESCROW

We are pleased the Purchase and Sale Agreement for the above referenced pending sale has been placed with our office for closing. Holly Diehl will be the escrow officer handling your transaction.

Closing will be in accordance with the sale terms and conditions of the Purchase and Sale Agreement and any addenda signed. In accordance with the Limited Practice Rule for closing officers, a closing officer may "select, prepare, and complete documents for use in closing a loan, extension of credit, sale or other transfer of real or personal property."

Unless I hear from you earlier, I will be calling you approximately one week prior to the actual closing date to schedule a signing appointment. Both the buyer and the seller need to sign approximately three (3) days before the scheduled closing date. I will also remind you at that point to bring your driver's license, or other acceptable form of identification, to the signing so that I may notarize your documents. Please advise me as soon as possible if you have any special needs or require special accommodations regarding the signing of your closing documents (i.e. traveling out of town during the closing period).

Also enclosed are the following which need to be reviewed, completed, signed and returned to our office:

- Closing Agreement and Escrow Instructions
- Information Request Form
- Collected Funds

If you have any questions or concerns regarding the enclosed documents or the escrow process, please do not hesitate to contact the undersigned. An important part of closing this transaction is helping you to understand the process.

Sincerely,

Holly Diehl
Escrow Officer

LAKE UNION

ESCROW

LAKE UNION ESCROW has been designated the closing agent on your property as referenced above. In order to expedite the closing of the transaction, please furnish the information below.

Thank you.

Social Security Number(s): _____

Marital Status: Married Unmarried (Incl. Single, Divorced, Widowed)

PAYOFF INFORMATION

1st Loan	Name of Lender:	_____
Loan # _____	Address:	_____
2nd Loan	Name of Lender:	_____
Loan # _____	Address:	_____
3rd Loan	Name of Lender:	_____
Loan # _____	Address:	_____

HOMEOWNER'S ASSOCIATION

Name of Association: _____
Address: _____
Contact Person: _____
Phone: _____
Address: _____

ARE THERE ANY LEASED FIXTURES?

Water Heater	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Conversion Burner	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Other	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____

PLEASE NOTE: THIS OFFICE DOES HANDLE FINAL UTILITY BILLINGS AND UNUSED FUEL PRORATIONS IF WE ARE INSTRUCTED TO DO SO IN WRITING AND PROVIDED WITH THIS INFORMATION PRIOR TO SCHEDULING ANY SIGNING APPOINTMENTS. IF YOU HAVE ANY QUESTIONS CONCERNING THESE MATTERS, PLEASE CALL IMMEDIATELY.

PLEASE SIGN BELOW AND RETURN AS SOON AS POSSIBLE IN THE ENCLOSED STAMPED ENVELOPE.

I hereby authorize the above financial institutions to release payoff figures to LAKE UNION ESCROW.

I may be reached at: _____

Date

Date

LAKE UNION

ESCROW

COLLECTED FUNDS NOTICE ADDENDUM TO ESCROW INSTRUCTIONS

This addendum is hereby incorporated into the Escrow Instructions accompanied herewith.

As of June 7, 1990, the State of Washington has amended state law in regards to funds deposited into an escrow account. The new law now reads:

"An escrow agent shall not make disbursements until the next business day after the business day on which the funds are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a form that permits conversion of the deposit to cash on the same day deposit is made."

All other methods of payment must be submitted to the deposit bank for clarification of clearance times.

For this reason, **Lake Union Escrow**, in compliance with the State statutes, cannot accept any other method of payment at time of closing other than bank wire, cash or cashier's checks drawn on local banks.

If you have any questions or concerns regarding these regulations, please do not hesitate to contact your escrow officer for **Lake Union Escrow**, as referenced in your Escrow Instructions.

Lake Union Escrow
425 Pontius Ave. N., Suite 450
Seattle, WA 98109
(206)447-9990 Fax: (206)447-9997

Date: March 14, 2007
Escrow Number: TEST1
Escrow Closer: Holly Diehl
File Name:

CLOSING AGREEMENT AND ESCROW INSTRUCTIONS
For Purchase and Sale Transaction

The undersigned buyer and seller (referred to herein as "the parties") hereby designate and appoint

Lake Union Escrow

(referred to herein as "the closing agent") to act as their closing and escrow agent according to the following agreements and instructions.

IT IS AGREED, AND THE CLOSING AGENT IS INSTRUCTED, AS FOLLOWS:

Terms of Sale. The terms and conditions of the transaction which is the subject of these instructions (referred to herein as "the transaction") are set forth in the parties' Purchase and Sale Agreement, Earnest Money Agreement, or other written agreement, and any attachments, amendments or addenda to that agreement (referred to herein as "the parties' agreement"), which is made a part of these instructions by this reference. Any changes to the parties' agreement will be made a part of these instructions, without further reference, when signed by the parties and delivered to the closing agent. These instructions are not intended to amend, modify or supersede the terms and conditions of the parties' agreement and if there is any conflict or inconsistency between these instructions and the parties' agreement, the terms and conditions of the parties' agreement shall control.

Description of Real Property. The real property which is the subject of the transaction (referred to herein as "the property") is identified in the parties' agreement. The documents required to close the transaction must contain the "legal description" of the property. If the parties' agreement does not yet contain the correct legal description, the parties or the real estate agent shall obtain an addendum setting forth the legal description as soon as possible and deliver it to the closing agent.

Closing Date. The date on which the documents required to close the transaction are filed for record (referred to herein as "the closing date") shall be on or before the date for closing of the transaction specified in the parties' agreement unless the closing date falls within the three-day rescission period after delivery to the buyer of an amended real property transfer disclosure statement, in which case the closing date shall be extended until the expiration of the three-day rescission period.

Documents. The closing agent is instructed to select, prepare, correct, receive, hold, record and deliver documents as necessary to close the transaction. The closing agent may request that certain documents be prepared or obtained by the parties or their attorneys, in which case the parties shall deliver the requested documents to the closing agent before the closing date. Execution of any document will be considered approval of its form and contents by each party signing such document.

Deposits and Disbursements of Funds. Before the closing date, each party shall deposit with the closing agent all funds required to be paid by such party to close the transaction, less any earnest money previously deposited with the real estate agent. The closing agent is authorized, but not required, to consider a lending institution's written commitment to deposit funds as the equivalent of a deposit of such funds, if all conditions of the commitment will be met on or before the closing date. All funds received by the closing agent shall be deposited in one or more of its escrow or trust accounts with any bank doing business in the State of Washington and may be transferred to any other such accounts. The closing agent shall not be required to disburse any funds deposited by check or draft until it has been advised by its bank that such check or draft has been honored. All disbursements shall be made by the closing agent's check.

Settlement Statement. The closing agent is instructed to prepare a settlement statement showing all funds deposited for the account of each of the parties and the proposed disbursements from such funds. No funds shall be disbursed until the parties have examined and approved the settlement statement. Some items may be estimated, and the final amount of each estimated item will be adjusted to the exact amount required to be paid at the time of disbursement. The settlement statement will be subject to audit and any errors or omissions may be corrected at any time. If any monetary error is found, the amount will be immediately paid by the party liable for such payment to the party entitled to receive it.

Pro-rations. Adjustments or pro-rations of real estate taxes, and other charges if any, shall be made on a per-diem basis using a 365 day year, unless the closing agent is otherwise instructed.

Title Insurance. The closing agent is instructed to obtain and forward to the parties a preliminary commitment for title insurance on the property and on any other parcel of real property that will be used to secure payment of any obligation created in the transaction (referred to herein as "the title report"). The closing agent is authorized to rely on the title report in the performance of its duties and shall have no responsibility or liability for any title defects or encumbrances which are not disclosed in the title report.

Verification of Existing Encumbrances. The closing agent is instructed to request a written statement from the holder of each existing encumbrance on the property, verifying its status, terms, balance owing and, if it will not be removed at closing, the requirements that must be met to obtain a waiver of any due-on-sale provision. The closing agent may rely upon such

Initials _____

written statements in the performance of its duties, without liability or responsibility for their accuracy or completeness.

Instructions From Third Parties. If any written instructions necessary to close the transaction according to the parties' agreement are given to the closing agent by anyone other than the parties or their attorneys, including but not limited to lenders, such instructions are accepted and agreed to by the parties.

Disclosure of Information to Third Parties. The closing agent is authorized to furnish, upon request, copies of any closing documents, agreements or instructions concerning the transaction to the parties' attorneys, and to any real estate agent, lender or title insurance company involved in the transaction. Other papers or documents containing personal or financial information concerning any party may not be released to anyone other than the party's attorney or lender, without prior written approval.

Potential Legal Problems. If the closing agent becomes aware of any facts, circumstances or potential problems which, in its opinion, should be reviewed by any of the parties' attorneys, the closing agent is authorized, in its sole discretion, to advise the parties of such facts, circumstances or potential problems and recommend that legal counsel be sought.

Closing Agent's Fees and Expenses. The closing agent's fee is intended as compensation for the services set forth in these instructions. If additional services are required to comply with any change or addition to the parties' agreement or these instructions, or as a result of any party's assignment of interest or delay in performance, the parties agree to pay a reasonable additional fee for such services. The parties shall also reimburse the closing agent for any out-of-pocket costs and expenses incurred by it under these instructions. The closing agent's fees, costs and expenses shall be due and payable on the closing date or other termination of the closing agent's duties and responsibilities under these instructions, and shall be paid one-half by the buyer and one-half by the seller unless otherwise provided in the parties' agreement.

Cancellation. These instructions may be canceled by a written agreement, signed by all of the parties, and payment of the closing agent's fees, costs and expenses. Upon receipt of such agreement and payment, the closing agent shall return any money or documents then held by it to the parties that deposited the same, and shall have no further duties or responsibilities under these instructions.

Inability to Comply With Instructions. If the closing agent receives conflicting instructions or determines, for any reason, that it cannot comply with these instructions by the date for closing specified in the parties' agreement or in any written extension of that date, it shall notify the parties, request further instructions, and in its discretion: (1) continue to perform its duties and close the transaction as soon as possible after receiving further instructions, or (2) if no conflicting instructions have been received, return any money or documents then held by it to the parties that deposited the same, less any fees and expenses chargeable to such party, or (3) commence a court action, deposit the money and documents held by it into the registry of the court, and ask the court to determine the rights of the parties. When the money and documents have been returned to the parties or deposited into the registry of the court, the closing agent shall have no further duties or responsibilities under these instructions.

Disputes. Should any dispute arise between the parties, or any of them, and/or any other party, concerning the property or funds involved in the transaction, the closing agent may, in its sole discretion, hold all documents and funds in their existing status pending resolution of the dispute, or join or commence a court action, deposit the money and documents held by it with the court, and ask the court to determine the rights of the parties. Upon depositing said funds and documents with the court, the closing agent shall have no further duties or responsibilities under these instructions. The parties jointly and severally agree to pay the closing agent's costs, expenses and reasonable attorney's fees incurred in any lawsuit arising out of or in connection with the transaction or these instructions, whether such lawsuit is instituted by the closing agent, the parties, or any other person.

Notices. Any notice, declaration or request made under these instructions shall be in writing, signed by the party giving such notice or making such declaration or request, and personally delivered or mailed to the closing agent and other parties at their addresses set forth in these instructions.

Amendments. Any amendment, addition or supplement to these instructions must be in writing, signed by the appropriate parties and delivered to the closing agent.

Counterparts. These instructions may be executed in one or more counterparts with like effect as if all signatures appeared on one copy.

Effect. These instructions shall bind and benefit the parties, the closing agent, and their successors in interest.

Definitions. When used herein or in any amendment, addition or supplement hereto, words and phrases are defined and are to be construed as follows:

The words "buyer" and "seller" refer to all persons and entities identified as such by their signatures on this document, jointly and severally unless otherwise indicated, and shall be construed interchangeably with other similar terms such as "purchaser", "vendee", "vendor", "grantee" or "grantor" as may be appropriate in the context and circumstances to which such words apply.

The word "lender" refers to any lending institution or other party, including the seller if appropriate, that has agreed to provide all or part of the financing for the transaction or to which the buyer has made a loan application.

The phrase "these instructions" refers to the agreements, instructions and provisions set forth in this document and all amendments, additions and supplements to this document.

The phrase "the property" refers to the real property identified in the parties' agreement, including any other parcel of real property that will be used to secure payment of any obligation created in the transaction, and does not include any items of personal property unless otherwise specifically stated in these instructions.

The phrase "outside of escrow" refers to any duty, obligation or other matter which is the sole responsibility of the parties or of any party, and for which the closing agent shall have no responsibility or liability.

Initials _____

In these instructions, singular and plural words, and masculine, feminine and neuter words, shall be construed interchangeably as may be appropriate in the context and circumstances to which such words apply.

**MATTERS TO BE COMPLETED BY THE BUYER AND SELLER
IMPORTANT - READ CAREFULLY**

The following items must be completed by the parties, outside of escrow, and are not part of the closing agent's duties under these instructions.

Disclosure, Inspection and Approval of the Property. Any required disclosures concerning the property including, but not limited, to preparation and delivery of any required Real Property Transfer Disclosure Statement, or inspections or approvals of the property or of improvements, additions or repairs to the property, will be arranged and completed by the parties, outside of escrow. The closing agent shall have no liability with respect to the accuracy of any disclosures made, or for the physical condition of the property, or any buildings, improvements, plumbing, heating, cooling, electrical, septic or other systems on the property, and no responsibility to inspect the property, or to otherwise determine or disclose its physical condition, or to determine whether any required disclosures have been made, or whether any required improvements, additions or repairs have been satisfactorily completed.

Personal Property. Any required inspections, approvals or transfers of possession of any owned or leased fixtures, equipment or other items of personal property included in the transaction, and payment of any personal property, sales or use taxes, will be completed by the parties outside of escrow. Unless otherwise instructed, the closing agent shall have no responsibility with respect to such personal property and shall not be required to determine the status or condition of the title to, encumbrances upon, ownership, or physical condition of such personal property, nor to calculate, pro-rate, collect, prepare returns for or pay any personal property tax, sales tax or use tax arising from the transaction.

Utilities. All orders, cancellations, transfers, payments and adjustment of accounts for water, sewer, garbage collection, electricity, gas, fuel oil, telephone, television cable and any other utilities or public services will be completed by the parties outside of escrow. Unless otherwise instructed, the closing agent shall have no responsibility, except as required by law, effective January 1, 1997, to determine, collect, pay, pro-rate or adjust charges for installation or service for any utilities or public services, except to pro-rate existing recurrent assessments for public improvements, if any, which appear on the title report.

Fire or Casualty Insurance. If a new policy of fire, hazard or casualty insurance on the property is necessary to close the transaction, the buyer will arrange for the policy to be issued, outside of escrow, and will provide evidence of the required insurance coverage to the closing agent before the closing date. Unless otherwise instructed, the closing agent shall have no responsibility to contract for or obtain any policy of fire, hazard or casualty insurance on the property, or any assignment of such policy.

Possession of the Property. The transfer of possession of the property shall be arranged directly between the parties outside of escrow and shall not be the responsibility of the closing agent.

Collection Account. If any financing for the transaction will be provided by a private party, the parties are advised to open a collection account at a financial institution to receive and disburse payments to be made under the private promissory note or contract. The collection account shall be established by the parties outside of escrow and shall not be the responsibility of the closing agent.

Payment of Omitted Taxes. If any additional real property taxes are assessed for improvements made to the property that have not been added to the tax rolls before the closing date, the parties shall pay their respective shares of such omitted taxes, pro-rated as of the closing date, within 30 days after receipt of notification that such taxes have been assessed. The closing agent shall not be responsible or liable for any assessment, collection or payment of omitted taxes.

Individual Taxes. The parties are advised to consult with their attorneys to determine whether they must report income, deduct expenses or losses, or withhold or pay any income or business taxes as result of the transaction. The closing agent shall have no responsibility for the parties' individual tax consequences arising from the transaction.

Foreign Investment in Real Property Tax Act. If any seller is, or may be, a non-resident alien or a foreign corporation, partnership, trust or estate for the purposes of United States income taxation, the parties are advised to consult with their attorneys before the closing date to determine their responsibilities and liabilities, if any, under the Foreign Investment in Real Property Tax Act (Section 1445 *et seq.* of the Internal Revenue Code). The closing agent is not required to verify the nationality or foreign status of any of the sellers, or to withhold, report or pay any amounts due under such act.

Approvals and Permits. The parties are advised to consult with their attorneys to determine whether any building, zoning, subdivision, septic system, or other construction or land use permits or approvals will be required, either before or after the closing date. The closing agent shall have no responsibility with respect to any such permit or approval, and shall have no liability arising from the failure of any party to obtain, or from the refusal of any governmental authority to grant, any such permit or approval.

Compliance With Certain Laws. The parties are advised to consult with their attorneys to determine their rights and responsibilities, if any, with respect to disclosures concerning the condition of the property, or under the Consumer Protection Act, Truth-in-Lending Act, Interstate Land Sales Act or other similar laws. The closing agent shall have no responsibility for disclosures concerning the condition of the property, or for the parties' compliance, nor any liability arising from the failure of any party to comply, with any such requirement or law.

Additional Agreements, Instructions and Disclosures:

Initials _____

NOTICE TO PARTIES

The services of the closing agent under these instructions will be performed by the person named below, who is certified as a Limited Practice Officer under Admission to Practice Rule 12, adopted by the Washington State Supreme Court. Under that rule, Limited Practice Officers may only select, prepare and complete certain documents on forms which have been approved for their use. You are further advised that:

- **THE LIMITED PRACTICE OFFICER IS NOT ACTING AS THE ADVOCATE OR REPRESENTATIVE OF EITHER (OR ANY) OF THE PARTIES.**
- **THE DOCUMENTS PREPARED BY THE LIMITED PRACTICE OFFICER WILL AFFECT THE LEGAL RIGHTS OF THE PARTIES.**
- **THE PARTIES' INTERESTS IN THE DOCUMENTS MAY DIFFER.**
- **THE PARTIES HAVE A RIGHT TO BE REPRESENTED BY LAWYERS OF THEIR OWN SELECTION.**
- **THE LIMITED PRACTICE OFFICER CANNOT GIVE LEGAL ADVICE AS TO THE MANNER IN WHICH THE DOCUMENTS AFFECT THE PARTIES.**

The Limited Practice Officer for this transaction is: **Holly Diehl**
LPO Number: **3086**

BY SIGNING THESE INSTRUCTIONS, EACH PARTY ACKNOWLEDGES:

I have been specifically informed that the closing agent is forbidden by law from offering any advice concerning the merits of the transaction or the documents that will be used to close the transaction.

The closing agent has not offered any legal advice or referred me to any named attorney, but has clearly requested that I seek legal counsel if I have any doubt concerning the transaction or these instructions.

I have had adequate time and opportunity to read and understand these instructions and all other existing documents referred to in these instructions.

BUYER SIGNATURE(S): DATE: _____

Buyer's Forwarding Address:

Buyer's phone:

Day _____ Evening _____ Fax _____

SELLER SIGNATURE(S): DATE: _____

Seller's Forwarding Address:

Seller's phone:

Day _____ Evening _____ Fax _____

APPROVED AND ACCEPTED BY:

Lake Union Escrow

Holly Diehl
LPO
LPO Number: 3086

Initials _____