

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.7
(ID # 25124)**

MEETING DATE:
Tuesday, June 04, 2024

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approve and Execute the Escrow Agreement Between the County of Riverside, the Boys and Girls Club of Southwest County, and Commerce Escrow, for Release of Approved ARPA Subrecipient Reimbursements Associated with Delivery of the Alberhill Ranch Clubhouse Improvements Project, through Fiscal Year 25/26. District 2. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and Execute the Escrow Agreement Between the County of Riverside, the Boys and Girls Club of Southwest County, and Commerce Escrow, for Release of Approved ARPA Subrecipient Reimbursements Associated with Delivery of the Alberhill Ranch Clubhouse Improvements Project, through Fiscal Year 25/26; and
2. Acknowledge Receipt of the Supplemental Escrow Instructions and General Terms; and
3. Direct the Executive Officer, or Designee, to take Necessary Steps to Approve, Sign and Execute Future Non-Substantive Amendments within the Agreement that do not Increase Costs to the County, Subject to Approval as to Form by County Counsel.


ACTION:Policy


Stephanie Perez, Deputy Director of Admin. Services 5/28/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 4, 2024
xc: E.O.

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: N/A	
			For Fiscal Year: 23/24 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, President Biden signed into law a \$1.9 trillion economic stimulus bill also known as the COVID-19 Stimulus Package or the American Rescue Plan Act (ARPA). The intent of the bill is to accelerate the United States recovery from the economic and health impacts of the COVID-19 pandemic. ARPA includes \$362 billion in Coronavirus State and Local Fiscal Recovery Funds (ARPA Fiscal Recovery Funds) for eligible state, local, territorial, and tribal governments.

Riverside County’s share of the American Rescue Plan funding is estimated to be \$479 million, of which the first installment of \$239,937,299 was received on May 10, 2021, and the second installment in the same amount was received on June 6, 2022. The funds must be obligated by December 31, 2024, and expended by December 31, 2026.

On April 27, 2021, the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation and on October 19, 2021, presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines. The revised allocation included a new category for Child Care. The funding allocation obligates funds to 7 categories: Infrastructure, Housing & Homelessness, Economic Recovery, County Departments Response, Non-Profit Assistance, Child Care and Revenue Backfill.

On October 4, 2022, the Board of Supervisors approved the ARPA 2nd installment funding allocation which allocated \$33 million per district to be obligated towards infrastructure, housing and homelessness, workforce development, neighborhood revitalization, business revitalization, childcare facilities, and non-profits.

On January 24, 2023 (Agenda Item 3.3), the Board of Supervisors approved allocation of \$1.8 million in ARPA funds to the Boys and Girls Club of Southwest County (Boys & Girls Club) for the Alberhill Ranch Clubhouse Improvements Project (Project), at the recommendation of the County’s Second District. On October 31, 2023 (Agenda Item 3.5), the Board of Supervisors approved and executed the funding agreement with the Boys & Girls Club, which set forth the terms for construction and reimbursement of funding for the Project. As detailed in the funding agreement, the County and Boys & Girls Club are required to establish an escrow account to facilitate County disbursement of Board approved ARPA funds to the Boys & Girls Club for construction and completion of the Project, in approved progress pay disbursements.

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The attached proposed escrow agreement, and supplemental escrow instructions and general terms, set forth the conditions for establishment, administration, and termination of an interest-bearing escrow account. These conditions include the County as escrow owner, the Boys & Girls Club as Contractor, and Commerce Escrow as escrow agent. Upon full execution of the escrow agreement, as owner, the County would deposit the ARPA award amount into the account. Thereafter, funds would be approved by the County for distribution on a monthly basis, after determination of eligibility of Project costs in accordance with the provisions of the funding agreement. Should any funds remain in escrow after Project completion, they will be released back to the escrow owner.

Execution of the attached escrow agreement will allow for expedited reimbursement of approved Project expenditures, relieving the Boys & Girls Club of the financial burden to advance payment for such expenditures. The attached proposed escrow agreement, and supplemental escrow instructions and general terms have been reviewed and approved as to form by County Counsel, and the Boys & Girls Club, and Commerce Escrow have executed as necessary.

Impact on Residents and Businesses

As a result of the Alberhill Clubhouse closure, youth were not provided access to productive activities, thereby not only impacting youth and their progress, but also their parents' ability to fulfill their responsibilities at work. Re-opening of the facility will ensure a safe and supportive environment of the community youth, single parents, and foster parents.

ATTACHMENTS:

- Escrow Agreement Between the County of Riverside, the Boys and Girls Club of Southwest County, and Commerce Escrow for Release of Approved ARPA Subrecipient Reimbursements
- Supplemental Escrow Instructions and General Terms


Scott Bruckner 5/22/2024


Aaron Gettis, Chief of Deputy County Counsel 5/22/2024

**ESCROW AGREEMENT FOR
RELEASE OF APPROVED GRANT AWARD REIMBURSEMENTS**

This Escrow Agreement is made and entered into this 4th day of June, 2024, by and between **the County of Riverside**, whose address is **4080 Lemon Street, 4th Floor, Riverside, CA, 92501**, hereinafter called "Owner," and **Boys & Girls Club of Southwest County**, whose address is **25090 Jefferson Ave. Ste A, Murrieta, California 92562**, hereinafter called "Contractor," and **Commerce Escrow**, whose address is **1055 Wilshire Blvd. Suite 1000, Los Angeles, California, 90017**, hereinafter called "Escrow Agent."

For the consideration hereinafter set forth, the Owner, Contractor, and Escrow Agent agree as follows:

(1) Pursuant to Section 22300 of the Public Contract Code of the State of California, Owner has the option to deposit funds with Escrow Agent as a method of providing reimbursement to the Contractor pursuant to the Funding Agreement entered into between the Owner and Contractor for the project known as the **Alberhill Ranch Clubhouse Project** (Project), in the amount of **one million eight hundred thousand Dollars (\$1,800,000)**, dated October 31, 2023 (hereinafter referred to as the "Contract"). When the Owner deposits the funds as a substitute for Contract cost reimbursement, the Escrow Agent shall notify the Contractor within ten (10) days of the deposit. The funds shall be held in the name of the County of Riverside ("Owner"), and the Contractor shall be designated as the beneficial owner.

(2) Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor, and Escrow Agent. The Escrow fee shall be \$150.00 per month that the escrow remains open and shall be paid from the funds held in escrow prior to the final disbursement.

(3) The interest earned on the funds held in escrow and all interest earned on that interest shall be for the sole account of Owner, and shall be subject to withdrawal by the Owner.

(4) After Owner determines eligibility of Project costs in accordance with Contract provisions, Contractor shall have the right to withdraw part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from the Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.

(5) Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, or the Contract has been terminated, Escrow Agent shall release to Owner all funds and interest on deposit. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit.

(6) Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections 4 and 5 of this agreement and the Owner and Contractor shall hold

Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

(7) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of Owner:
County of Riverside
Title: *Dep. Dir. of Admin. Services*
Name: *Stephanie Rera*
Signature: *[Signature]*
Address: 4080 Lemon Street, 4th Floor
Riverside, CA 92501

On behalf of Contractor:
Boys & Girls Club of Southwest County
Title: *CEO/CFO*
Name: *Carly Bennett-Valle*
Signature: *[Signature]*
Address: *Murrieta, CA*

On behalf of Escrow Agent:
Commerce Escrow, a division of Pacific Premier Bank
Name: Robert Minsky
Title: EVP
Signature: *[Signature]*
Address: 1055 Wilshire Blvd., Suite 1000, Los Angeles, CA 90017

At the time the Escrow Account is opened, the Owner and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers effective on the date first set forth above.

OWNER:
County of Riverside
Title: Chairman
Name: Chuck Washington
Signature: *[Signature]*

CONTRACTOR:
Boys & Girls Club of Southwest County
Title: *CEO/CFO*
Name: *Carly Bennett-Valle*
Signature: *[Signature]*

ATTEST:
KIMBERLY A. RECTOR, Clerk

By *[Signature]*
DEPUTY

FORM APPROVED COUNTY COUNSEL
BY *[Signature]*
~~KRISTINE BELL-VALDEZ~~ DATE

Commerce Escrow

A Division of Pacific Premier Bank

1055 WILSHIRE BLVD., SUITE 1000, LOS ANGELES, CA 90017
TEL.: (213) 484-0855 / (310) 284-5700 / (888) 732-6723 / FAX: (213) 484-0417

Date

Re: Escrow No. _____

Dear Clients:

We are in receipt of the Escrow Agreement for Release of Approved Grant Award Reimbursements dated _____, hereinafter referred to as the "Agreement". All parties hereby agree and confirm that Escrow Holder's only duties in connection with this escrow are with the receipt and distribution of the funds upon a mutual instruction from the Parties hereto pursuant to the Agreement.

Additionally, enclosed is a copy of Escrow Holder's General Provisions which the parties hereby acknowledge shall be utilized with this instruction. In the event of a conflict between the Agreement and our General Provisions then the Agreement shall prevail.

Should there be any questions concerning the foregoing, please do not hesitate contacting the undersigned. We thank you for the opportunity to work with you on this transaction and look forward to a successful closing.

Sincerely,

Robert Minsky
Escrow officer

Receipt Acknowledged:

On behalf of Owner:

County of Riverside

Title: _____

Name: _____

Signature _____

Address: 4080 Lemon Street, 4th Floor
Riverside, CA 92501

On behalf of Contractor:

Title: _____

Name: _____

Signature _____

Address: _____, CA

ADDITIONAL ESCROW INSTRUCTIONS AND TERMS (GENERAL PROVISIONS)

1. **Terms and Subject Headings:** In these additional escrow instructions, the terms “you”, “your” and “Escrow Holder” shall mean Commerce Escrow, a division of Pacific Premier Bank, wherever the context requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

2. **Responsibility of Escrow Holder:**

A. All parties agree your rights and liability in this transaction is as an escrow holder, and no other legal relationship is created. You are an escrow holder only on the express terms of these instructions. You have no duty or responsibility to notifying me or any other party related to this escrow of any sale, resale, loan, exchange or other transaction involving any property described or of any profit realized by any person, firm, corporation or parties (broker, agent) to this or any other escrow, regardless that such transaction(s) may be handled by you in this escrow or in another escrow. You shall not be required to take any action for the collection, maturity or apparent outlaw of any obligations deposited in this escrow, unless otherwise instructed.

B. Escrow Holder’s duties are limited to the safekeeping of such money and documents received by it as escrow holder and for the disposition of same under the written instructions accepted by Escrow Holder in this escrow. Escrow Holder shall not be liable for any damages, losses, costs or expenses incurred by any party in the handling and processing of escrow because of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine.

C. NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AMENDMENTS, OR LENDER INSTRUCTIONS; **ESCROW HOLDER DOES NOT VERIFY SIGNATURES** OR INVESTIGATE WHETHER THERE IS FALSE IMPERSONATION, FORGERY, OR FRAUD ON DOCUMENTS DEPOSITED INTO THIS ESCROW BY THE PARTIES OR THEIR AGENTS.

D. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE SUFFICIENCY OR CORRECTNESS AS TO FORM, CONTENT, MANNER OF EXECUTION, OR VALIDITY OF ANY DOCUMENTS; OR AS TO THE IDENTITY, AUTHORITY, CAPACITY OR RIGHTS OF ANY PERSON EXECUTING THE SAME THAT ARE DEPOSITED INTO ESCROW. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR BY REASON OF FORGERIES, FRAUD OR FALSE REPRESENTATIONS MADE BY OR INVOLVING THIRD PARTIES, A PRINCIPAL’S AGENTS, OR PRINCIPAL TO THIS ESCROW. IF A PARTY OR LENDER DESIRES THAT ESCROW HOLDER VERIFY ANY SIGNATURE(S) ON INSTRUCTIONS, CHECKS, LOAN DOCUMENTS, OR OTHER ITEMS A SEPARATE WRITTEN ESCROW INSTRUCTION MUST BE ENTERED INTO THAT SPECIFICALLY EVIDENCES ESCROW HOLDERS EXPRESS AGREEMENT TO UNDERTAKE SUCH RESPONSIBILITY, UPON THE PAYMENT OF AN ADDITIONAL FEE TO ESCROW HOLDER.

E. Escrow Holder is authorized and directed to deposit any and all funds received in this escrow in an “Escrow Trust Account” with **Pacific Premier Bank**, a California chartered commercial bank (“Pacific Premier Bank”), located in Irvine, California in the name of Escrow Holder with other escrow funds pending completing this escrow.

F. In the event the terms of the escrow transaction as contained in attached escrow instructions, contract, or agreement, at any time call for the investment of deposited funds, it is hereby understood, by parties hereto, that such investment shall be in the form of an interest bearing account at Pacific Premier Bank, after bank clearance of check and **after receipt of form W-9**, unless specifically provided for in writing to the contrary. The name of the account will be Commerce Escrow Company as trustee for this escrow for the benefit of depositing party. All interest accrued thereon shall be credited to the account of depositing party at close of escrow. In the event the escrow fails to close, the interest shall be credited to the account of the depositing party at cancellation. The funds will not be withdrawn except for redeposit

into the "trust" or "escrow" account. In compliance with this instruction, the depositing party hands you herewith form W-9 as required by Pacific Premier Bank. **The depositing party is aware that the account will not be opened until escrow holder is in receipt of fully completed and executed form W-9 from depositing party.** In the event the depositing party fails to furnish or has no tax payer identification number, then a certain portion of the interest accrued on the account may be paid by the bank to the I.R.S. as back-up withholding. (Note: in the event the depositing party is not a U.S. citizen or resident or is a foreign corporation, partnership, estate or trust, then the depositing party should request from escrow holder and complete form w-8 in lieu of form w-9.)

G. All parties depositing funds with this escrow are notified that the funds so deposited are insured only to the limits provided by the Federal Deposit Insurance Corporation. If you have questions about FDIC deposit insurance, contact your financial or legal advisors or go to <http://www.fdic.gov/deposit/deposits/insured/index.html>.

3. **Time Is Of The Essence In These Instructions:** If the date by which a party's performance is due is other than Escrow Holder's regular business day, such performance shall be due on the next succeeding business day. If the conditions of this escrow have not been complied with at the expiration of the time provided for, or any extension, Escrow Holder is instructed to complete the same at the earliest possible date, unless a party makes written demand upon you for cancellation and the return of the money and/or instruments deposited. If written demand to cancel is received, at Escrow Holder's sole discretion, it may stop and withhold all further proceedings in this escrow without liability for interest on funds held or for damages, until a satisfactory mutual cancellation instructions signed by all parties is deposited into this escrow, the demand is withdrawn by the party, or by further mutual instructions or order in form satisfactory to Escrow Holder.

4. **No Disclosures or Warranties:** The parties' signature upon these instructions shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel and know of any disclosures, certificates, reports, civil or municipal ordinance requirements and will comply with same between themselves outside of this escrow. Unless otherwise instructed in writing to the contrary within the body of these escrow instructions, Escrow Holder has no responsibility or liability for any such disclosures, notices or reports, regarding civil or municipal ordinances.

5. **Property Condition:** Escrow Holder makes no physical examination or inspection of any real or personal property described in these instructions or in any instrument or document deposited. Escrow Holder accepts no agency or duty, and none may be implied in any manner under any statute, ordinance, authority, or written agreement for making or giving any disclosures under commercial property laws or local ordinances, governing the transfer of property including but not limited to Cal. Civ. Code § 1938, Cal. Pub. Res. Code § 25402.10. The parties expressly acknowledge that Escrow Holder has no duty or liability for the physical condition, use, or habitability of any property the subject of this escrow.

6. **Disbursements:** All disbursements shall be made by check or wire from Escrow Holder's account; and checks not presented for payment within six months are subject to service charges under Escrow Holder's schedule in effect. All documents and funds due to respective parties shall be made by United States mail to parties' addresses provided to Escrow Holder, unless otherwise instructed. The parties acknowledge that Escrow Holder has no control or liability regarding a bank's timely processing or receipt of any disbursement made by check or wire transfer under a party's instruction. It shall be the party's duty to provide correct wire instructions to Escrow Holder, who shall not be obligated to confirm account's beneficiary. The Escrow Holder is not responsible or liable for any act by a third-party, or any injury caused by delays or rejection of wire transfers due to the routing or account numbers, or for any loss due to an incorrect payee on any account Escrow Holder is directed to wire funds into.

7. **Intentionally Deleted.**

8. **Dishonored Checks:** If any check submitted to Escrow is dishonored upon presentment for payment, Escrow Holder may notify all parties, their respective holders or any other person or entity Escrow Holder deems necessary to notify of such nonpayment. The party submitting the dishonored check shall reimburse Escrow Holder for any costs or expenses in connection therewith. A PARTY'S EXCLUSIVE LEGAL OR EQUITABLE REMEDY FOR ANY INJURY FROM THE DISHONORING OF ANY CHECK OR FUNDS FROM THE OTHER PARTY IN THE ESCROW SHALL LIE ONLY AGAINST THE DEFAULTING PARTY AND NOT ESCROW HOLDER.

9. **Reimbursement of Funds:** If Escrow Holder disburses more funds to or for the benefit of any party than they are entitled to receive, or the escrow has a shortage to or for the benefit of any party, that benefitting party agrees to repay Escrow Holder the overpayment within two business days. If any failure to pay incurs fees, costs or expenses due on Escrow Holder's demand the parties agree to pay a reasonable fee for any attorney services which may be required to collect such fees, costs, or expenses, besides any other fees and costs as the court may otherwise determine.

10. **Document Retention:** The parties acknowledge, consent and expressly authorize the Escrow Holder to convert, store, or otherwise maintain any original documents (including executed purchase agreements) or copy submitted or otherwise provided to Escrow Holder in an electronic format or medium for all purposes. Upon Escrow Holder's transfer of any document into an electronic format, it is expressly authorized with no liability to destroy the original paper documents submitted or otherwise provide to Escrow Holder. The parties to these Escrow Instructions authorize Escrow Holder to destroy these instructions and all other instructions, documents and electronic records of this escrow after five (5) years from the close of escrow, cancellation, or date of the last activity without liability and without further notice to the parties.

11. **Choice of Law and Limitations:** These instructions must be construed and interpreted according to California Law and are performed in Los Angeles County. **NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, UNDER THIS ESCROW OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER**

12. **No Legal, Financial or Tax Advice:** THE PARTIES, AND ANY LENDER, ACKNOWLEDGE AND UNDERSTAND THAT ESCROW HOLDER IS NOT AUTHORIZED TO PRACTICE LAW NOR DOES IT GIVE FINANCIAL ADVICE. THE PARTIES AND LENDER ARE ADVISED TO SEEK LEGAL AND FINANCIAL COUNSEL AND ADVICE CONCERNING THE EFFECT OR CONSEQUENCES OF THE PURCHASE AGREEMENT, THESE ESCROW INSTRUCTIONS AND GENERAL PROVISIONS, ANY LOAN DOCUMENTS, OR OTHER FINANCIAL/TAX DOCUMENTS. THE PARTIES ACKNOWLEDGE THAT NO REPRESENTATIONS ARE MADE BY ESCROW HOLDER AND NO RELIANCE CAN BE PLACED ON THE LEGAL SUFFICIENCY, LEGAL CONSEQUENCES, FINANCIAL EFFECTS OR TAX CONSEQUENCES OF ANYTHING WITHIN THIS ESCROW TRANSACTION BASED ON REPRESENTATIONS OF THE ESCROW HOLDER.

13. **Witness Fees:** If any officer, employee, or representative of Escrow Holder must respond to any subpoena or other order to appear in an action or proceeding in which Escrow Holder's breach or fault is not in issue, the party requiring such appearance agrees to indemnify and hold Escrow Holder harmless against all costs, expenses and reasonable attorney's fees expended or incurred by it for such appearance. The party requiring such appearance shall pay to Escrow Holder and each officer, employee(s), or representative(s), besides the amounts from time to time provided for by law, the sum of \$400.00 as an additional witness fee for each day or part that an officer, employee or representative of Escrow Holder must attend. As a condition precedent to any obligation to appear under such subpoena or order, the party requesting such appearance must concurrently with the service of the subpoena or order pay the additional witness fee agreed to for each day's actual attendance, even if no testimony is given.

14. **Legal Fees:** IN THE EVENT ANY PARTY TO THIS ESCROW, INCLUDING YOU AS ESCROW HOLDER, INSTITUTES OR DEFENDS ANY ARBITRATION OR LITIGATION AT LAW, INCLUDING

CONTRACT OR TORT OR ACTIONS IN EQUITY ARISING OUT OF THIS ESCROW, THE PREVAILING PARTY SHALL, IN ADDITION TO SUCH OTHER RELIEF AS MAY BE AWARDED, BE ENTITLED TO RECOVER REASONABLE ATTORNEYS' FEES, COSTS, CHARGES AND EXPENSES OF SUCH LITIGATION.

15. **Fees and Expenses:** Fees and charges agreed upon for your services shall be compensation for ordinary services as contemplated by these instructions. If the conditions of this escrow are not promptly fulfilled by the parties or if

Escrow Holder renders any service not provided in these instructions, or if the parties request a substantial modification of its terms, or any controversy arises, Escrow Holder is made a party, or intervenes in, or must participate in any mediation, arbitration or litigation, including an interpleader action pertaining to this escrow or its subject matter, before, during, or after the close of escrow, Escrow Holder shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses incurred by it, including any reasonable legal fees or costs incurred, whether litigation is filed or not, and costs and expenses occasioned by the default, delay, controversy, mediation, arbitration or litigation.

If sums remaining on deposit in escrow become subject to the state unclaimed property law and require escheatment to that particular state, the Parties authorize Escrow Holder to debit its authorized costs to escheat from said funds.

16. **Conflicting Demands/Instructions & Interpleader Actions:** If conflicting demands are made upon Escrow Holder or notice is given of any controversy or legal action between the parties or third person(s) for this escrow, Escrow Holder shall not be required to determine or resolve conflicting demands or claims or take any action, but has the absolute right to stop and withhold all further proceedings to perform this escrow, without liability, until any such conflicting demands or claims have been determined, resolved, or eliminated by mutual written agreement of the parties, a valid amendment or supplement to the escrow instructions, or a final order or judgment of a court of competent jurisdiction in form satisfactory to Escrow Holder is deposited into escrow. Escrow may also, at its sole discretion, sue in interpleader or declaratory relief action, and are instructed and authorized to deposit any documents or funds which are the subject of conflicting demands or claims with the court under any such action, less Escrow Holder's escrow fees, costs, and attorneys fees incurred. The Parties acknowledge and understand that any irrevocable escrow instruction received and accepted by Escrow Holder are not subject to conflicting demands. Irrevocable escrow instructions can be amended or revoked only with the written consent of the Parties to the irrevocable escrow instructions. Escrow Holder shall have no liability for complying with its irrevocable escrow instructions of its Parties.

17. **Resignation:** Prior to the close of escrow, Escrow Holder without liability may give written notice to the parties and resign from the transaction as escrow holder. Escrow Holder shall be entitled to be reasonably compensated for the escrow service performed and reimbursed all costs and expenses incurred up to resignation. The balance of any funds, property, or documents shall be returned to the parties who deposited same or forwarded to a new escrow holder as mutually designated in writing by the parties.

18. **Miscellaneous Conditions:**

A. Escrow Holder is authorized in its sole discretion to rely and act upon facsimile instructions, e-mail or electronic instructions including but not limited to escrow instructions, amendments or modifications, demands, lender instructions, pay-off instructions and bills from the Principals or third parties, as though they are original instructions signed by the Principals or third parties. In doing so, Escrow Holder is released of liability, responsibility and indemnified for any loss resulting from such reliance.

Upon Escrow Holders receipt of this instruction signed with traditional live signatures from all parties, Escrow Holder is authorized to accept electronic signatures as original signatures of the parties on the Purchase Agreement, Addendum(s), and Listing Agreement; and all future documents and instructions received. The undersigned parties are advised they may be required to submit documents with traditional live signatures into this escrow in the following circumstances, which include but are not limited to: 1)

Where traditional live signatures are mandatory (such as recordable documents, city reports, government and/or lender documents); 2) As required by lenders; and 3) As required by Escrow Holder on any document in its sole discretion it deems a traditional live signatures is required. Escrow Holder is not liable or responsible for any loss that may occur by its receipt or reliance on documents or instructions with an electronic signature and Escrow Holder has no liability for forgeries, fraud, impersonations, or false representations made by anyone (including but not limited to principals to this escrow or any third parties.)

B. This escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation part of this escrow, that language translator will be selected and provided by the Principal needing such assistance. The Escrow Holder will provide no language translation services. If any language translation is provided by Escrow Holder it is rudimentary, solely as a courtesy and may not be relied upon. Escrow Holder will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or of any other documentation that is a part of this Escrow. Any signature on a document shall be relied upon by Escrow Holder that the signor fully understood and accepted the terms in the documents.

C. If any instruction or term in these Escrow Instructions is held invalid by judicial proceeding, the remaining shall continue to be operative and enforceable.

19. I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

20. All parties confirm they are aware that Commerce Escrow is a division of Pacific Premier Bank. Should Escrow Holder request the parties to complete a Certificate of Beneficial Ownership Form, in compliance with the Bank Secrecy Act as published in Federal Register. Vol. 81, No. 91 impacting U.S. Code 31CFR Parts 1010, 1020, 1023, 1024 and 1026 as required by law of all federally regulated banks and divisions, the parties confirm they are aware that Escrow Holder has requested this form be completed and returned to our office within 10 business days in order to avoid any delays at closing. If said form is not received completed, Commerce Escrow and RPM Investments, divisions of Pacific Premier Bank will not be able to close this transaction and reserves the right to withdraw as the escrow holder without penalty.

Important Information About Procedures for Opening a New Account: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an escrow account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

21. **Cancellation:** The parties, jointly and severally, agree that if escrow cancels, is terminated or otherwise not closed, the parties shall pay Escrow Holder any costs and expenses it incurred or has become obligated for in processing this transaction including, but not limited to, courier fees, filing fees, attorneys' fees and costs, third-party vender fees for services performed for this escrow; and an escrow cancellation fee for services rendered in an amount of \$500.00 or up to the full escrow fee depending on the status of the escrow at "cancellation." The parties agree that such costs, expenses and fees shall be paid from funds already on deposit or deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between

Buyer and Seller in a manner which, in Escrow Holder's sole discretion, it considers equitable and Escrow Holder's decision will bind and conclusive upon the parties. Except as provided in the Purchase Agreement, upon receipt of mutual cancellation instructions, a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments in form satisfactory to Escrow Holder, Escrow Holder is instructed to disburse the escrow funds and instruments under such cancellation instruction, order, judgment or accompanying writ; and the escrow without further notice shall be terminated and cancelled.

I/we agree to pay funds required to close escrow upon demand, if any. Pursuant to AB512, January 1, 1990, all lender's funds (if applicable) and borrower's funds to be deposited must be cleared funds prior to recordation of this transaction. if it is deemed necessary to wire funds, to expedite the close of escrow, escrow holder is instructed to proceed accordingly and to charge borrower, at the close of escrow.

End