

Memorandum

To: Sierra County Board of Supervisors
From: Lea Salas, Administrative Director
Reference: Agenda Item
Date of memo: January 13, 2020
Date of Board Meeting: January 21, 2020

Requested Action: Approval of Escrow General Provisions documents with Old Republic Title Company for the purchase of the manufactured/mobile home for the wellness center.

Mandated by:

Funding

Budgeted? Yes No

Revenue		
Expenses		
Difference	0	

Background Information: Sierra County has entered in to an agreement with Old Republic Title Company for the purchase of the manufactured/mobile home for the Wellness Center. Old Republic has requested the attached General Provisions documents be signed and returned. It was recommended by County Counsel that the Board Chair sign the attached document.

Potential Issues to consider: None

Alternatives or Impacts of disapproval:



OLD REPUBLIC TITLE COMPANY

A MEMBER OF THE OLD REPUBLIC TITLE INSURANCE GROUP

200 Auburn Folsom Road, Suite 205 • Auburn CA • 95603 • (530) 885-7770 • FAX (530) 302-9012

January 2, 2020

County of Sierra
P.O. Box 1019
Loyalton, CA 96118

**COMPLETE ALL PAGES
SIGN AND RETURN**

Re: Escrow No.: 2123029657-SP
Location: 704 Mill Street, Loyalton, California 96118

Dear :

An escrow has been opened with Old Republic Title Company for the purchase of the manufactured/mobile home referenced above. In order to accomplish the timely close of your transaction, the following documents must be completed, executed and returned to our office. A self-addressed, return envelope is provided for your use and convenience.

* Escrow General Provisions

The following documents should be retained for your records:

* Receipt No. 73425 for the amount of \$183,881.00

You are encouraged to discuss requirements for hazard insurance with your lender and insurance agent. The lender will require evidence of coverage prior to funding your loan.

Your prompt attention to these matters is appreciated. The more timely and complete the documents are returned, the better we can serve you. Thank you for allowing Old Republic Title Company the opportunity to be a part of your transaction. If you have any questions, please do not hesitate to contact our office.

Sincerely,

Shawna Perry, Escrow Officer

Enclosures: as noted above
Via U.S. Postal Service

SP/rb
Buyer Open Letter - MH

GENERAL PROVISIONS

The following general provisions shall apply in this escrow:

1. Deposit and Disbursement of Funds. The parties acknowledge and agree that all funds received in this escrow shall be deposited in accordance with instructions provided by the parties in accordance with Sub-Section A or B, herein into an escrow account maintained by Old Republic Title Company (Old Republic or Escrow Holder) as follows:

A. Notice of Option to Earn Interest in Interest Bearing Account

All parties have the opportunity to earn interest on funds they deposit with Escrow Holder through a special interest bearing account arrangement (IBA) Old Republic has established with one of its depository banks. The current interest rate for these accounts is 1.25% per annum. This rate, however, will fluctuate periodically with market conditions and may change prior to or during the time the account is open. (**NOTE:** Parties may also select a depository bank of their own choice.)

Parties electing to exercise the option to earn interest in an IBA must request and submit fully completed "Instructions to Deposit Funds Into Interest Bearing Account" and provide a signed Form W-9. Upon receipt of both the fully executed Instructions and the Form W-9, Escrow Holder will place the parties' initial deposit and any subsequent deposits in the IBA at its FDIC insured depository bank in the name of Old Republic as Trustee for the Depositor(s) under the escrow number assigned to the transaction. Until such time as escrow is in a position to disburse or close escrow as provided herein, any accrued interest shall be credited to the account of the depositing party. The parties acknowledge and agree that there shall be a service charge for the establishment and servicing of the IBA and further, that deposit insurance provided by the Federal Deposit Insurance Corporation is subject to limitations.

Parties electing to earn interest through this special account arrangement will be charged an **additional minimum fee of \$45.00** to establish and maintain the account. This fee compensates Old Republic for the employee time and costs associated with the IBA, opening the account, obtaining signature(s), preparing correspondence/documentation, transferring funds, maintaining appropriate records for audits/reconciliations, and closing the account. **It is important that the parties consider this cost in making this decision because the cost may exceed the interest earned.** To help approximate the interest that will be earned, simply multiply the interest rate per day by the estimated number of days until closing.

Example: A Regular savings deposit of \$1,000.00 at an average interest rate of 2.0 per annum for a 30 day period

Deposit	x Rate	/ Annual	x Days	= Total interest earned
\$1,000.00	x .02	/ 360	x 30	= \$1.67

Parties who elect to earn interest but want their funds invested in another bank and/or another type of interest-bearing account must advise Escrow Holder to make appropriate arrangements. However, the additional fee for these types of accounts will vary, but in no event exceed \$75.00.

B. No Interest on Funds in General Escrow Trust Account

Parties electing not to exercise the option to earn interest will simply communicate their choice by not requesting submitting fully completed and signed "Instructions to Deposit Funds Into Interest Bearing Account" and W-9 form, per Section 1.A. above, and, as such, it shall constitute their instruction to place the deposited funds into Old Republic's General Escrow Trust Account, which consists of funds from other escrows in one or more non-interest bearing but federally insured escrow trusts accounts in Old Republic's name in a duly licensed state, or national bank or savings and loan association ("depository institution") selected by Old Republic and such funds may be transferred to any other such account(s). A General Escrow Trust Account is restricted and protected against claims by third parties or creditors of Old Republic.

The parties acknowledge and agree that: (i) the maintenance of such General Escrow Trust account(s) may result in Old Republic receiving certain financial benefits, some or all of which may otherwise be considered interest due to the parties under California Insurance Code § 12413.5, along with various other bank services, accommodations and/or other benefits from the depository institutions, and (ii) Old Republic or its affiliates may elect to enter into other business arrangements or transactions with, or obtain loans for investment or other purposes from such depository institutions and that Old Republic shall have no obligation to account to the parties for the value of any such services, accommodations or other benefits which may accrue to Old Republic from such arrangements or transactions.

Finally, all disbursements are made by Escrow Holder's check or wire transfer unless otherwise instructed in writing, and the disbursement of funds may not take place on the same business day as recordation of the document. While Escrow Holder will diligently attempt to complete all disbursements within one business day of recordation, the parties acknowledge that recordation may not be completed with sufficient time to meet the established cutoff times for electronic transfer of funds or delivery by overnight mailing, which could result in the accrual of additional interest for any loan payoff.

2. Prorations and Adjustments. The parties acknowledge and agree all prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. At closing, Escrow Holder may adjust estimated amounts and prorations and other items that may change based on the closing date. In all acts relating, but not limited to, fire/hazard insurance, rents and rental deposits, property taxes, and interest, Escrow Holder shall presume that the information provided to Escrow Holder by the parties to this escrow, or their agent(s), is correct and that insurance premiums have been paid.

3. Authorization to Furnish Copies. The parties authorize Escrow Holder to furnish copies of these instructions and any supplements thereto, notices of cancellation, and settlement statements to the real estate agent(s), broker(s) and lender(s) in this escrow. Escrow Holder is further authorized to provide complete copies of the settlement statements which reflect all receipts, charges and disbursements pertaining to the buyer and seller in this escrow to the real estate agent(s), broker(s) and lender(s) in this escrow.

4. Delivery of Non-Recorded Documents. The parties acknowledge and agree that upon close of escrow, documents that are not required to be recorded may be delivered by Escrow Holder by depositing same in the United States Mail, or transmitting by email, addressed to the party entitled thereto, at the mailing address provided to Escrow Holder.

5. Conflicting Instructions. The parties acknowledge and agree that upon receipt of any conflicting instructions (other than cancellation instructions), Escrow Holder is no longer obligated to take any further action in connection with this escrow until further consistent instructions are received from the parties. The parties authorize Escrow Holder to hold all monies and/or instruments in this escrow until otherwise directed, either by the parties' mutual written instructions or by final order of a court of competent jurisdiction. In the event of conflicting claims to any funds or other documents, Escrow Holder shall have the absolute right, at Escrow Holder's discretion, to file an action in interpleader requiring the parties to answer and litigate their several claims and rights amongst themselves. Any such action must comply with the requisite statutes of the State of California in this regard.

6. Disclosure. The parties acknowledge and agree Escrow Holder shall have no duty to disclose to any party to this escrow any information which may come to Escrow Holder's attention concerning this transaction unless specifically requested to do so by any party.

7. Right of Cancellation. This escrow shall be deemed canceled upon Escrow Holder's receipt of any party's instruction to cancel the escrow. Upon receipt of a party's instructions to cancel the escrow, Escrow Holder shall distribute Cancellation Instructions to the parties or to their agents regarding the disbursement of funds in the escrow. The parties acknowledge Escrow Holder then is no longer obligated to take any further action in connection with this escrow until receipt of mutual non-conflicting instructions from the parties. Upon receipt of mutual, non-conflicting instructions regarding the disbursement of funds in the escrow, Escrow Holder shall disburse the funds in accordance with the instructions, less fees and other costs incurred in connection with the escrow. In the absence of non-conflicting instructions regarding the disbursement of funds in the escrow, the parties authorize and instruct Escrow Holder to hold all earnest money funds in accordance with the terms of

Paragraph 6 above. However, Escrow Holder may distribute all funds in excess of earnest money to the depositors of the funds or their assignees at Escrow Holder's sole discretion.

8. Entire Agreement. The parties acknowledge and agree these General Provisions and the escrow instructions received and accepted by Escrow Holder shall be the whole and only agreement between the parties and Old Republic Title Company regarding the obligations of Escrow Holder to complete this escrow and shall supersede and cancel any prior instructions. Escrow Holder shall disregard and assume no responsibility for complying with any other agreement(s) between the parties, whether or not such agreement(s) have been made a part of this escrow. To the extent of any conflicts between these General Provisions and escrow instructions, and any other agreement(s) between the parties, these General Provisions and escrow instructions shall control as to the Escrow Holder's duties and obligations.

9. Compliance with Federal and State Laws and Regulations, including Truth in Lending Act and Consumer Credit Protection Laws. The parties acknowledge and agree Escrow Holder is not responsible or liable for determining that any person or entity is subject to Federal and State laws and regulations or that any documents submitted to or deposited with Escrow Holder comply with such laws and regulations.

10. Licensee Status. The parties acknowledge and agree Escrow Holder is not responsible or liable for determining that any person or entity receiving a commission or other compensation from escrow is currently and regularly licensed, or for communicating the license status of any person or entity receiving a commission or other compensation from escrow to the parties herein.

11. Unclaimed Funds. The parties acknowledge and agree that after three (3) years from the deposit of funds into escrow, any amounts thereafter remaining unclaimed may be escheated to the State of California in compliance with the State of California's Unclaimed Property Law and Regulations.

12. Fees and Charges. The parties agree to pay all charges, billings, advances and expenses, including cancellation fees, that are properly chargeable to the undersigned, and further to pay any balance for fees, costs or shortages due in connection with these instructions.

13. Payments From Escrow. The parties acknowledge and agree Escrow Holder is acting as the disbursing agent of the parties to this escrow for all payments, such as, but not limited to, commissions, signing service providers, notary fees and termite inspections and/or reports, owed and authorized by the parties.

14. Inspections. The parties acknowledge and agree Escrow Holder has no obligation to order or obtain any of the inspections or reports required by this transaction.

15. Contingencies. The parties acknowledge and agree Escrow Holder has no obligation to monitor, schedule the timing of, or obtain any party's compliance with, any of the contingencies required by this transaction.

16. Compliance with Lender Requirements. The parties authorize Escrow Holder to take any action necessary to comply with these instructions and the instructions of any lender and to execute any and all documents that may be necessary or incidental to the carrying out of these instructions.

17. Right to Resign. Escrow Holder, at its election, shall have the right to resign as Escrow Holder under these instructions. If this right is exercised, all funds and documents may be returned to the party who deposited them, and Escrow Holder shall have no further duty, responsibility, or liability in connection with these instructions and purchase contract, if any.

18. Professional Advice. The parties acknowledge and agree they have the right to seek professional advice, at the parties' sole expense, before signing this or any other documents involved with this escrow transaction.

Buyer(s):

County of Sierra, a California Corporation

By: _____
 , President

Received: Old Republic Title Company

By: _____ Date: _____

WE'VE GONE "GREEN"

Please provide us with your email address so that we may email you a full set of the signed documents.

Email: _____

OR

I would prefer a hard copy mailed at close.

Please mail to: _____

Shawna Perry, Escrow Officer

T: 530.885.7770 | F: 530.302.9012 | EXT.: 42591 | TEAMPERRY@ORTC.COM

Old Republic Title 200 Auburn Folsom Road | Suite 205 | Auburn, CA 95603