



A. Settlement Statement (HUD-1)
Estimated

1. ☐ FHA

4. ☒ VA

2. ☐ RHS

5. ☐ Conv. Ins.

3. ☐ Conv. Unins.

6. File Number:
4101241LN

7. Loan Number:
100559434

8. Mortgage Insurance Case Number:
29-29-6-0737714

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

(4101241LN/ 11)

D. Name and Address of Borrower:
CLYDE SHERWOOD, JR. and DOROTHY SHERWOOD
3318 North 26th Street
Kalamazoo, MI 49048

E. Name and Address of Seller:

F. Name and Address of Lender:
loanDepot.com
26642 Towne Centre Drive
Foothill Ranch, CA 92610

G. Property Location:
3318 North 26th Street
Kalamazoo, MI 49048
Kalamazoo County, Michigan

H. Settlement Agent: LD Escrow, Inc. (877)553-3727
26672 Towne Centre Drive, Suite 100 Foothill Ranch, CA 92610
Place of Settlement:
26672 Towne Centre Drive, Suite 100
Foothill Ranch, CA 92610

I. Settlement Date:
May 15, 2015
Disbursement Date:
May 21, 2015

J. Summary of Borrower's Transaction	
100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	5,021.54
104. Lender Payoff	94,397.03
105. Lender Payoff	14,586.45
Adjustments for items paid by seller in advance	
106. City/Town taxes	
107. County taxes	
108. Assessments	
109.	
110.	
111.	
112.	
120. Gross amount due from Borrower	114,005.02
200. Amounts Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	115,429.00
203. Existing loan(s) taken subject to	
204. Cure for P.O.C. Appraisal Deposit	
205.	
206. Lender Credit- Sub Escrow	25.00
207. Lender Credit-Daily Interest	13.44
208. Lender Credit-Express delivery	29.16
209.	
Adjustments for items unpaid by seller	
210. City/Town taxes	
211. County taxes	
212. Assessments	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total paid by/for Borrower	115,496.60
300. Cash at Settlement from/to Borrower	
301. Gross amount due from Borrower (Line 120)	114,005.02
302. Less amount paid by/for Borrower (Line 220)	(115,496.60)
303. CASH TO BORROWER	1,491.58

K. Summary of Seller's Transaction	
400. Gross Amount Due to Seller	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
Adjustments for items paid by seller in advance	
406. City/Town taxes	
407. County taxes	
408. Assessments	
409.	
410.	
411.	
412.	
420. Gross amount due to Seller	
500. Reductions in Amount Due to Seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
Adjustments for items unpaid by seller	
510. City/Town taxes	
511. County taxes	
512. Assessments	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total reduction amount due Seller	
600. Cash at Settlement from/to Seller	
601. Gross amount due to Seller (Line 420)	
602. Less reductions due Seller (Line 520)	()
603. CASH TO/FROM SELLER	

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

The undersigned hereby acknowledge receipt of a completed copy of this statement and any attachments referred to herein.

Borrower

Seller

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD

Previous editions are obsolete

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HUD-1, Page 1

L. Settlement Charges			
700. Total Real Estate Broker Fees		\$0.00	
Division of commission (line 700) as follows:		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
701.	to		
702.	to		
703. Commission paid at settlement			
704.			
800. Items Payable in Connection with Loan			
801. Our origination charge		\$ 1,154.29 (from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen		(\$ 1,010.00) (from GFE #2)	
803. Your adjusted origination charges		(from GFE #A)	144.29
804. Appraisal fee to AMSA		(from GFE #3) P.O.C.\$395.00(B)*	105.00
805. Credit report to First American Credco		(from GFE #3)	10.00
806. Tax service		(from GFE #3)	0.00
807. Flood certification to LPS Flood Services		(from GFE #3)	10.00
808. Appraisal Deposit to loanDepot.com, LLC			0.00
900. Items Required by Lender to be Paid in Advance			
901. Interest from 05/20/15 to 06/01/15 to loanDepot.com @ \$ 13.44000/day (12 days @ 4.25000%)		(from GFE#10)	161.28
902. Mortgage insurance premium for month to		(from GFE #3)	
903. Homeowner's insurance for 1.0 year to		(from GFE #11)	530.57
904. for year to			
905. VA Funding Fee to loanDepot.com			2,429.50
1000. Reserves Deposited with Lender			
1001. Initial deposit for your escrow account to loanDepot.com		(from GFE #9)	910.74
1002. Homeowner's insurance 2.000months @ \$ 44.22 per month \$ 88.44			
1003. Mortgage insurance months @ \$ per month			
1004. Property taxes 7.000months @ \$ 141.80 per month \$ 992.60			
1005. months @ \$ per month			
1006. months @ \$ per month			
1007. months @ \$ per month			
1008. months @ \$ per month			
1009. Aggregate Adjustment (\$ 170.30)			
1100. Title Charges			
1101. Title services and lender's title insurance to Fidelity National Title		(from GFE #4) P.O.C.\$500.00(L)*	479.16
1102. Settlement or closing fee to LD Escrow, Inc.		See Additional 1102 Items	
1103. Owner's title insurance to Fidelity National Title Company		(from GFE #5)	
1104. Lender's title insurance to Fidelity National Title Company		\$ 360.00	
1105. Lender's title policy limit \$115,429.00			
1106. Owner's title policy limit			
1107. Agent's portion of the total title insurance premium to Fidelity National Title Company			
1108. Underwriter's portion of the total title insurance premium to Fidelity National Title			
1109. Express delivery service fees to Fidelity National Title Company		\$ 29.16	
1110. Sub Escrow to Fidelity National Title Company		\$ 50.00	
1111. Tax Update to Fidelity National Title Company		\$ 15.00	
1112. Recording Service to Fidelity National Title Company		\$ 25.00	
1113. CPL			
1200. Government Recording and Transfer Charges			
1201. Government recording charges to Recorder's Office		(from GFE #7)	116.00
1202. Deed \$; Mortgage \$ 116.00; Releases \$			
1203. Transfer taxes		(from GFE #8)	
1204. City/County tax/stamps Deed \$; Mortgage \$			
1205. State tax/stamps Deed \$; Mortgage \$			
1300. Additional Settlement Charges			
1301. Required services that you can shop for		(from GFE #6)	
1302.			
1303. Pest Inspection Fee to loanDepot.com			125.00
1304.			
1305.			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		5,021.54	

*Paid outside of closing by borrower (B), lender (L)

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges				
Charges That Cannot Increase		HUD-1 Line Number	Good Faith Estimate	HUD-1
Our origination charge		# 801	1,154.29	1,154.29
Your credit or charge (points) for the specific interest rate chosen		# 802	-1,010.00	-1,010.00
Your adjusted origination charges		# 803	144.29	144.29
Transfer taxes		# 1203		
Charges That In Total Cannot Increase More Than 10%			Good Faith Estimate	HUD-1
Appraisal fee		# 804	400.00	500.00
Credit report		# 805	10.00	10.00
Flood certification		# 807	10.00	10.00
VA Funding Fee		# 905	2,429.50	2,429.50
Title services and lender's title insurance		# 1101	885.00	979.16
Government recording charges		# 1201	101.00	116.00
Pest Inspection Fee		# 1303	125.00	125.00
Total			3,960.50	4,169.66
Increase between GFE and HUD-1 Charges			\$ 209.16 or	5.28 %
Charges That Can Change			Good Faith Estimate	HUD-1
Daily interest charges		# 901 \$13.44000/day	13.44	161.28
Homeowner's insurance		# 903	0.00	530.57
Initial deposit for your escrow account		# 1001	1,227.16	910.74

Loan Terms

Your initial loan amount is	\$ 115,429.00
Your loan term is	30 years
Your interest rate is	4.25000%
Your initial monthly amount owed for principal, interest and any mortgage insurance is	\$ 567.84 includes <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of % . The first change will be on and can change again every after . Every change date, your interest rate can increase or decrease by % . Over the life of the loan, your interest rate is guaranteed to never be lower than % or higher than % .
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$.
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be on and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$.
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$.
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years on .
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowners insurance. You must pay these items directly yourself. <input checked="" type="checkbox"/> You have an additional monthly escrow payment of \$ 186.02 that results in a total initial monthly amount owed of \$ 753.86 . This includes principal, interest, any mortgage insurance and any items checked below: <input checked="" type="checkbox"/> Property taxes <input checked="" type="checkbox"/> Homeowner's insurance

The undersigned hereby acknowledge receipt of a completed copy of this statement and any attachments referred to herein.

Borrower

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

Estimated HUD-1, Attachment

Borrower: CLYDE SHERWOOD, JR. and
DOROTHY SHERWOOD
3318 North 26th Street
Kalamazoo, MI 49048

Seller:

Lender: loanDepot.com

Settlement Agent: LD Escrow, Inc.
(877)553-3727
Place of Settlement: 26672 Towne Centre Drive, Suite 100
Foothill Ranch, CA 92610
Settlement Date: May 15, 2015
Disbursement Date: May 21, 2015
Property Location: 3318 North 26th Street
Kalamazoo, MI 49048
Kalamazoo County, Michigan

Title Services and Lender's Title Insurance			
Payee/Description	Disclosure	Borrower	Seller
Fidelity National Title Company	360.00		
Lender's title insurance			
Fidelity National Title Company	29.16		
Express delivery service fees			
Fidelity National Title Company	50.00		
Sub Escrow			
Fidelity National Title Company	15.00		
Tax Update			
Fidelity National Title Company	25.00		
Recording Service			
Total Title Services and Lender's Title Insurance	479.16		

Additional Disbursements			
Payee/Description	Disclosure	Borrower	Seller
LD Escrow, Inc.			
Settlement or Closing fee			
P.O.C.\$500.00(L)*			
Total Line 1102			

Payoffs			
Payee/Description	Disclosure	Borrower	Seller
Ocwen Loan Servicing		94,397.03	
Lender Payoff			
Principal Balance	93,694.80		
Interest Charged	593.55	Interest To: 05/22/15	
Additional Interest	93.68	From: 05/22/15 Through: 05/30/15 @ 11.71 Per Diem	
Wire Fee	15.00		
Total Payoff	94,397.03		
CITIMORTGAGE INC.		14,586.45	
Lender Payoff			
Principal Balance	14,290.18		
Interest Charged	173.62	Interest To: 05/01/15	
Additional Interest	82.65	From: 05/01/15 Through: 05/30/15 @ 2.85 Per Diem	
Statement/Fax Fee	25.00		
Wire Fee	15.00		
Total Payoff	14,586.45		

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD



26672 Towne Centre Drive, Suite 100
Foothill Ranch, CA 92610
(877)553-3727 fax (949)830-2967

Date: May 14, 2015

Escrow No.: 4101241LN

Borrower: CLYDE SHERWOOD, JR. and DOROTHY SHERWOOD

Property Address: 3318 North 26th Street, Kalamazoo, MI 49048

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

This is to give you notice that LD Escrow, Inc., (LDE) has a business relationship with loanDepot.com, LLC. LDE is a majority owned subsidiary of loanDepot.com. Because of this relationship, this referral may provide loanDepot.com a financial or credit benefit.

Set forth below is the estimated charge or range of charges for services. You are NOT required to use LDE as a condition of your loan request. **THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES.** You are free to shop around to determine that you are receiving the best services and the best rate for these services.

Provider and Settlement Service	Charge or Range of Charges
LDE - Loan Closing Services	\$500 for full closing.

Note: Some of the services listed on this form may not be available in your state and may not be required for your loan.

Acknowledgment: I have read this disclosure form and understand that loanDepot.com, LLC is referring me to purchase the above described settlement services and may receive financial or other benefits as the result of this referral.

Date: _____

Borrower

Borrower

STATEMENT OF INFORMATION
CONFIDENTIAL INFORMATION FOR YOUR PROTECTION

Order No.: 89574

This statement is to be signed personally by each party to the transaction and by each party's spouse before title insurance can be written. When filled in completely, it serves to establish identity, eliminate matters affecting persons of similar name, and protect you against forgeries, and speed the completion of your title order.

PLEASE PRINT	FULL NAME[S]	PLEASE PRINT
First Name	Full Middle Name (if none, Indicate)	Last Name
Date of Birth:	Social Security No.:	
Full Name of Party	Ever Filed Bankruptcy: Yes No U.S. Citizen: Yes No	
First Name	Full Middle Name (if none, Indicate)	Last Name
Date of Birth:	Social Security No.:	
Full Name of Spouse	Ever Filed Bankruptcy: Yes No U.S. Citizen: Yes No	
We were married on:	at	Spouse's maiden name
Date	City and State	
Driver's License No.: Party's	Spouse's	

RESIDENCE(S) DURING PAST 10 YEARS

Number and Street	City and State	From (Date) to (Date)
Number and Street	City and State	From (Date) to (Date)
Number and Street	City and State	From (Date) to (Date)
(If more space is needed, please use reverse side of form.)		

OCCUPATION(S) DURING PAST 10 YEARS

Party's	Occupation	Firm Name	Address	From (Date) to (Date)
	Occupation	Firm Name	Address	From (Date) to (Date)
Spouse's	Occupation	Firm Name	Address	From (Date) to (Date)
	Occupation	Firm Name	Address	From (Date) to (Date)
(If more space is needed, please use reverse side of form.)				

BUSINESS(ES) OWNED OR OPERATED IN THE LAST 10 YEARS

Party	Business	Address	From (Date) to (Date)
Spouse	Business	Address	From (Date) to (Date)
Party	Business	Address	From (Date) to (Date)
Spouse	Business	Address	From (Date) to (Date)

FORMER MARRIAGE(S)

If no former marriages, write "None."

Name of former spouse:

Deceased:	Divorced:	Where:
Date	Date	City and State

Name of former spouse:

Deceased:	Divorced:	Where:
Date	Date	City and State

THIS PORTION IS TO BE COMPLETED BY THE PROPERTY OWNER (INCLUDING ABOVE PORTIONS)

The street address in this transaction is: 3318 North 26th Street, Kalamazoo, MI 49048.

The land is unimproved ; or improved with a structure of the following type: a Single or 1 to 4 Family ; a Condominium Unit ; Other .

Improvements, remodeling or repairs to this property have been made within the past six months. Yes No

If "Yes", have all of the costs for labor and materials arising in connection therewith been paid in full? Yes No

The undersigned declare, under penalty of perjury, that the foregoing is true and correct.

Executed on	at	
Date		City and State
SIGNATURE		SIGNATURE
()	()	
Home Phone	Business Phone	



26672 Towne Centre Drive, Suite 100
Foothill Ranch, CA 92610
(877)553-3727 fax (949)830-2967

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

Date: May 14, 2015
Property: 3318 North 26th Street, Kalamazoo, MI
49048
Escrow No.: 4101241LN
Escrow Officer: Linda Nguyen

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars:

NEW LOAN: Borrower obtaining and property qualifying for a new VA trust deed loan securing a note in the amount of ONE HUNDRED FIFTEEN THOUSAND FOUR HUNDRED TWENTY-NINE AND NO/100 DOLLARS (\$115,429.00) in favor of loanDepot.com. Said loan shall bear interest at a fixed rate of 4.2500% per annum, for a term of 360 months, payable at approximately \$567.84 per month, per terms and conditions of Lender's instructions to be deposited into escrow. Borrower's signature on all loan documents shall constitute their full approval of the terms and conditions contained therein.

It is expressly agreed that, notwithstanding any other provision of this contract, the Veteran/Purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the Reasonable Value of the property established by the Veterans Administration. The Veteran/Purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the Reasonable Value established by the Veterans Administration.

All other terms and conditions remain the same.

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD



26672 Towne Centre Drive, Suite 100
Foothill Ranch, CA 92610
(877)553-3727 fax (949)830-2967

LOAN ESCROW INSTRUCTIONS

Date: May 14, 2015
Escrow No.: 4101241LN
Escrow Officer: Linda Nguyen

This is to give you notice that LD Escrow, Inc. has a business relationship with loanDepot.com, LLC. LD Escrow is a majority owned subsidiary of loanDepot.com, LLC. We call this interest (relation) to your attention in order to be perfectly open and fair with you. This interest (relation) will not, IN OUR OPINION, prevent us from being a fair and impartial escrow agent in this transaction. Nevertheless, you may request that this transaction be handled by some other escrow company or agent if you so desire. Because of this relationship, this referral may provide loanDepot.com a financial or credit benefit.

LD Escrow, Inc. conducts escrow business under licenses issued by:

- State of Arizona Department of Financial Institutions License Number EA-0925587 issued January 17, 2014.
- State of California Department of Business Oversight File Number 963 2584 issued on December 7, 2009.
- State of Idaho Department of Finance Escrow Agency License Number ESC 1104 issued on August 8, 2014.
- State of Iowa Division of Banking Closing Agent License Number CA-2011-0129 issued on July 1, 2011.
- State of New Mexico Regulations and Licensing Department of Financial Institutions Division Escrow Company Certificate Number 00124 issued on July 10, 2013.
- State of Oregon by the Oregon Real Estate Agency License #201210868 effective 10/1/2014 and
- State of Washington Department of Finance Escrow Agent License Number 540-EA-67877 issued on May 11, 2011.

Borrower will execute and deliver a new First VA Deed of Trust in the amount of	\$115,429.00
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AND, Borrower will deliver to you any instruments and/or funds required from Borrower to enable you to comply with these instructions, all of which you are authorized to use and/or deliver, provided that on or before May 21, 2015 instruments have been filed for record, enabling you to obtain a Standard ALTA Loan Policy of Title Insurance from Fidelity National Title Company with the usual title company's exceptions, having a liability of at least the amount of the above total consideration covering the following described real property located in the City of Kalamazoo, County of Kalamazoo, State of Michigan described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KALAMAZOO, STATE OF Michigan,
AND IS DESCRIBED AS FOLLOWS:
ALL THAT PARCEL OF LAND IN KALAMAZOO COUNTY, STATE OF MICHIGAN AS MORE FULLY DESCRIBED IN
DEED BOOK 730 PAGE 424 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
THE NORTH HALF OF THE NORTH HALF OF THE FOLLOWING DESCRIBED PREMISES:
BEGINNING AT A POINT ON THE WEST LINE OF SECTION 5, 33 FEET NORTH OF THE SOUTHWEST CORNER OF
SECTION 5, T 2 S, R 10 W; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 372.36 FEET;
THENCE EAST
AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 214.92 FEET; THENCE SOUTH PARALLEL WITH THE
WEST LINE OF SAID SECTION 372.36 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID SECTION
214.92 FEET TO THE PLACE OF BEGINNING; EXCEPTING AND RESERVING THE WEST 33 FEET

Escrow No.: 4101241LN

THEREOF FOR
PUBIC HIGHWAY PURPOSES.
Parcel ID: 39-07-05-355-110

BORROWER STATES THAT THE PROPERTY ADDRESS IS:
3318 North 26th Street, Kalamazoo, MI 49048

SHOWING TITLE VESTED IN:
CLYDE SHERWOOD, JR. and DOROTHY SHERWOOD, HUSBAND AND WIFE, AS TENANTS BY THE
ENTIRETIES, AND THE SURVIVOR OF THEM

FREE FROM ENCUMBRANCES EXCEPT:

1. Current General and Special Taxes for the current fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, as assessed by local taxing authorities;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions, restrictions, reservations, easements, and rights of way now of record, if any;
5. A Deed of Trust, to record, securing a note in the amount of \$115,429.00 in favor of loanDepot.com

CONSUMMATION OF THIS ESCROW IS CONTINGENT UPON THE FOLLOWING:

ADDITIONAL INSTRUCTIONS:

GENERAL INSTRUCTIONS:

1. Borrower agrees to provide a new hazard insurance policy acceptable to lender and to authorize payment of premium through escrow unless a paid receipt is provided to escrow.
2. The undersigned hereby authorize and instruct Escrow Holder to charge each party to the escrow for their respective overnight shipment, special mail handling/courier and/or incoming/outgoing wire transfer fees. Unless specified in writing by the undersigned, Escrow Holder is authorized to select special mail/delivery or courier service to be used.
3. Borrower is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.

Borrower is aware that interest will accrue through weekends or holidays.

Borrower is aware he/she/they are responsible for payment of all such interest and will indemnify and hold Escrow Holder harmless in connection with the payment of such interest.

The Undersigned hereby instruct and authorize Escrow Holder to disburse proceeds as follows:

TRANSFER
All Net Proceeds, or
\$
to

ATTN:

ESCROW NO: 4101241LN

HOLD check for PICK UP

CALL when check is ready for PICK UP, Phone Number

WIRE funds to (Bank Name)

Address

Routing No.

Account No.

MAIL

OVERNIGHT shipment check to

Address

BORROWER:

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of LD Escrow, Inc., with any state or national bank, or savings and loan association (the "depository Institution") and may be transferred to any other such general escrow account or accounts. The parties to this escrow acknowledge that the maintenance of such escrow accounts with some depository institutions may result in Escrow Holder's being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of LD Escrow, Inc.. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

To the extent provided by law, if for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

2. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

3. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

4. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

5. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

6. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

7. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

8. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

9. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due LD Escrow, Inc., including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

10. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

11. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein.

12. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors In Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

13. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

14. ENVIRONMENTAL ISSUES

LD Escrow, Inc. has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. LD Escrow, Inc. is released of any responsibility and/or liability in connection therewith.

15. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

16. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

17. CLARIFICATION OF DUTIES

LD Escrow, Inc. serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties. If the conditions of this escrow have not been complied with at the expiration date in these escrow instructions, you are instructed to complete the conditions at the earliest possible date, unless the parties hereto have made written demand upon you for the return of the funds and/or instruments deposited by the parties and/or for cancellation of this escrow, subject to Paragraph 9 above.

18. SETTLEMENT DATE

Contrary to any preprinted matter contained herein and regardless of what may be the customary practice in the state in which the subject property is located, or the state in which the lender's documents are executed by the borrower, the "Settlement Date" as referred to herein and as shown on additional documents within this escrow, including but not limited to; estimated HUD1 Settlement Statement and Final HUD1 Settlement Statement, shall be defined as the date on which the Borrower executed the lender's Note and Security Instrument (whether Mortgage or Deed of Trust), not the date on which the lender funded the loan or the date that the Security Instrument was recorded.

19. ARIZONIA NOTICE OF UNINSURED MONIES

Pursuant to A.R.S. §6-841-03. Notice is hereby given that the monies deposited into an escrow account are not insured against loss from fraud or theft by the State of Arizona or the United States government. However, escrowed funds are deposited into a trust account with depositories that are insured by the Federal Deposit Insurance Corporation (FDIC).

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

It is understood by the parties signing the above or attached instructions that the instructions are the complete instructions between this firm as an escrow agent and you as a principal to the escrow transaction. These instructions may not include all the terms of the agreement which is the subject of this escrow. Read these instructions carefully, and do not sign them unless they are acceptable to you.

BORROWERS:

CLYDE SHERWOOD, JR.

DOROTHY SHERWOOD