

RESERVE ADDENDUM TO LONG TERM ESCROW INSTRUCTIONS  
ESCROW NO. \_\_\_\_\_

The parties agree that in addition to the regular monthly installments due under the Promissory Note, Payor/Buyer agrees to pay the Escrow Agent the sum equal to 1/12th of the estimated annual real property taxes and 1/12th of the annual casualty insurance premium for the subject property. It is understood that the monthly reserve amounts may fluctuate from time to time due to the increase or decrease for the payment of taxes and insurance. The monthly payment will be estimated by Escrow Agent without liability based on information provided by the Payor. Escrow Agent agrees to deposit said sums in one of its Trust account and to pay said amounts.

**Insurance Reserve Instructions**

It will be the Parties obligation to see that casualty insurance is maintained on the property in accordance with the terms and conditions of the Deed of Trust escrowed. The Escrow Agent is authorized to pay the premiums for the casualty insurance policy set forth below, as they become due, and to accept renewal polices, for the payment unless notified by the Parties, in writing, 30 days prior to the expiration of the existing policy that a new insurance agency has been retained. It is understood that the Escrow Agent has no responsibility or liability to maintain any casualty insurance coverage on the property, but is only obligated to pay the invoices for the insurance premium presented for payment by the Parties. Escrow Agent shall not be liable to advance funds if there is a shortage. The Escrow Agent is not responsible for forwarding copies of the policies to the Parties.

Pay premium invoice to the following company:

Policy No.: \_\_\_\_\_  
Agents Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Annual Premium Amount: \_\_\_\_\_  
Policy Period/Expiration Date: \_\_\_\_\_

**Tax Reserve Instructions**

Escrow Agent is authorized to pay real estate property taxes on the tax parcel described below. Payment is to be made prior to the due date. Escrow Agent shall not be liable to advance funds if there is a shortage. Escrow Agent is not responsible for payment of penalties or interest on late payment of taxes. Escrow Agent is authorized to confirm payment of taxes to the Parties upon request.

Parcel No.: \_\_\_\_\_  
County: \_\_\_\_\_  
Estimated Annual Tax: \_\_\_\_\_  
Property Address: \_\_\_\_\_

Reserve payment:                   \$ \_\_\_\_\_ (Insurance Reserve)  
  \$ \_\_\_\_\_ (County Real Property Taxes)  
  \$ \_\_\_\_\_ **TOTAL**

PAYOR/BUYER:

PAYEE/SELLER:

\_\_\_\_\_  
Signature                            Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature                            Date

\_\_\_\_\_  
Signature                            Date