

Pre-filed Testimony - Case No.: 13-2477-02

Buyer: Gene L. Allen and Betty J. Smith  
Address: 19643 South Lariat Circle, Birdseye, UT 84629  
Seller: David W. Olsen  
Lot No. Eagles Landing Development – No. 4  
Parcel No.: 38-311-0004  
Date of Purchase: June 2, 2010

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Gene L. Allen and Betty J. Smith purchased Lot No. 4 in the Eagles Landing Development from David W. Olsen on June 2, 2010. Backman Title Services provided the title search for this transaction. The Title Search Document clearly states that the Buyers in no way are responsible for any charges made to them concerning this property after closing.

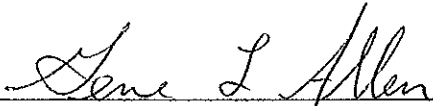
Attached as an Exhibit is a copy of the “Escrow General Provisions” section signed by both Seller and Buyer. We wish to particularly highlight the following statements contained in this section:

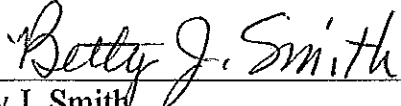
Page 3, paragraph 14 - Utilities and Water Rights:

“It is hereby acknowledged and understood that any and all service charges and/or assessments levied by all utility companies will be paid by Seller either directly or through closing. All final charges to date of closing will be paid directly to utility companies by Seller either directly or through closing on or before said Buyer takes possession of the property. This includes water, sewer, garbage, heat, electricity condominium fees, city assessments and all other assessments of any kind that may exist in relation to the subject property. If the amounts paid through closing are insufficient, Seller shall pay the difference before Buyer takes possession of the property.”

Page 5, paragraph 23 - Closing Conditions:

“Seller and Buyer represent to Escrow Agent that they have delivered to Escrow Agent an entire copy, including addendums and exhibits, of the Real Estate Purchase Contract. Seller and Buyer also represent to Escrow Agent that all conditions to closing in the contract have been satisfied or are hereby waived”.

  
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Gene L. Allen

  
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Betty J. Smith

## ESCROW GENERAL PROVISIONS

This agreement governs the duties and obligations between Backman Title Services Ltd. (hereinafter "Escrow Agent"), and the undersigned signatories, who are parties to the following transaction:

Order No.: 7-015359  
Buyer(s): Gene L. Allen and Betty J. Smith  
Seller(s): David W. Olsen

The parties understand and acknowledge:

- Escrow Agent's Role.** Subject to the terms of this Agreement, Escrow Agent agrees to act as an escrow agent in closing the transaction described above. Escrow Agent is not the agent of any single party. Rather, Escrow Agent agrees to prepare documents, secure the execution of documents, record documents, disburse funds, and otherwise close the transaction in accordance with the joint directions of the parties. Escrow Agent has no other duties or obligations. In particular, Escrow Agent does not give and has no duty to give legal or other advice to the parties.
- Parties' Role.** The parties authorize Escrow Agent to close the transaction, record documents, disburse funds, and otherwise act in accordance with the written Settlement Statement and any written or oral directions or agreements given to Escrow Agent by the parties or their representatives. The parties agree that Escrow Agent is entitled to act on the direction of the realtor, attorney or other person who as dealt with Escrow Agent on behalf of them in this transaction. If any party wishes to limit the authority of those who have dealt on their behalf with Escrow Agent, any such limitation must be contained in a writing that is delivered to Escrow Agent. The parties agree that they are not looking to Escrow Agent for legal or other advice, and that they have had an opportunity to obtain such advice from persons other than those affiliated with Escrow Agent.
- Closing Documents.** The parties have been given an opportunity to review all documents at closing and to seek independent advice or counsel concerning those documents, if desired. The parties agree that the only representations of Escrow Agent upon which they are entitled to rely or act are those that are in writing and executed by Escrow Agent and that the parties are not entitled to act or rely on conflicting oral or written terms or directions given to Escrow Agent prior to closing. The parties' execution and delivery of documents at closing shall, as between Escrow Agent and the parties, constitute the parties' agreements and directions to Escrow Agent whether or not Escrow Agent is a party to the documents. The terms of this paragraph shall not affect the parties' rights between themselves. Without re-signing the settlement statement, the parties authorize Escrow Agent to amend the settlement statement for any interest or proration adjustments arising after the original signing of said statement.
- Deposit of Funds & Disbursements.** Escrow Agent shall place all funds received in escrow into a federally insured depository account specifically designated as a trust account. Escrow Agent may maintain a general trust account and individual accounts for specific escrows, subject to any specific terms and conditions of any written agreement between Buyer, Seller, and Escrow Agent. Absent specific written direction from both Seller and Buyer, Escrow Agent shall, as agent for Buyer and Seller, determine the identity of the depository institution. Escrow Agent shall not be responsible for any loss of funds occurring as a result of failure of the institution in which funds have been deposited, so long as Escrow Agent complies with the foregoing provisions relating to the type of depository institutions and accounts to be used. Earnings on funds held in Escrow Agent's escrow trust account shall be owned by and periodically disbursed to Escrow Agent as additional consideration for services actually performed by Escrow Agent. Funds may be paid from trust accounts only in accordance with the terms and conditions of Buyer's and

Seller(s) Initials:                     

Buyer(s) Initials:

Seller's instructions to Escrow Agent. In the event that Escrow Agent initiates or is joined as a party to any litigation relating to this escrow, Buyer and Seller jointly and severally agree to pay all costs, expenses and attorney's fees incurred by Escrow Agent in such litigation. Escrow Agent shall be entitled, at its option, to be paid such costs, expenses and attorney's fees from the funds deposited by the party(ies) with Escrow Agent.

5. Disclosure of Possible Benefits to Escrow Agent. As a result of Escrow Agent maintaining its general escrow accounts with the depositories, Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, interest, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Agent and Escrow Agent shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.
6. Miscellaneous Fees. The Settlement Statement may provide that certain recording, release or reconveyance fees are payable to Escrow Agent. These fees are payable to Escrow Agent to compensate it for facilitating and arranging for the reconveyance or release of the encumbrance in question and for recording of all closing documents. These fees are payable in the amounts indicated irrespective of whether additional recording or reconveyance fees or charges may have been paid or are payable to any other party and irrespective of any limitation on recording or reconveyance or release fees that may be prescribed. Escrow Agent may incur certain additional costs on behalf of the parties for services performed by third party providers. The fees charged by Escrow Agent for such services may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Agent for such services.
7. Prorations & Adjustments. The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made as of the close of escrow based on a 365 day year, unless otherwise instructed in writing.
8. Contingency Periods. Escrow Agent shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Agent to confirm the status of any such periods.
9. Reports. As an accommodation, Escrow Agent may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Agent shall deliver copies of any such reports as directed. Escrow Agent is not responsible for reviewing such reports or advising the parties of the content of same.
10. Information from Affiliated Companies. Escrow Agent may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.
11. Commitment for Title Insurance; Recordation of Documents; Home Warranties. The undersigned Buyer hereby acknowledges receipt of a copy of, and an opportunity to review, the Commitment for Title Insurance (The "Commitment") obtained through Escrow Agent in contemplation of the above transaction. Buyer authorizes the title insurer to issue the policy of title insurance contemplated thereby, which policy shall contain the exceptions from coverage as shown on the Commitment, in addition to any new encumbrances created in connection with this transaction. The undersigned Buyer and Seller affirm that the legal description appearing in the Commitment is satisfactory, and authorize Escrow Agent to record documents delivered through escrow, which contain said legal description and are necessary or proper for the issuance of the requested title insurance policy(ies). Except for documents covered by proposed insurance described in the Commitment, no insurance will be issued for documents executed as part of closing the transaction contemplated herein. Buyer and Seller acknowledge that Escrow Agent has made no representation regarding the accuracy, validity, sufficiency or effect of uninsured documents. Buyer and Seller hereby hold Escrow Agents and its employees harmless and indemnify them from any loss or damage resulting from the inaccuracy, insufficiency or invalidity of the uninsured documents including any

Seller(s) Initials: AD

Buyer(s) Initials: SLP  
BJ

18. Insurance Policies. In all matters relating to insurance, Escrow Agent may assume that each policy is in force and that the necessary premium has been paid. Escrow Agent is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Agent has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.
19. Copies of Documents, Authorization to Release. Escrow Agent is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Agent, the originals of such documents shall be delivered to Escrow Agent. Escrow Agent may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded MUST contain original signatures. Upon their request, Escrow Agent may furnish copies of any and all documents to the parties herein, their lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction.
20. Tax Reporting, Withholding & Disclosure The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations, including any possible, reportable income from lender reductions of mortgage balances (otherwise known as a short sale payoff). Escrow Agent does not provide tax or legal advice and the parties agree to hold Escrow Agent harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW AGENT IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW AGENT AGREES IN WRITING.
- A. Taxpayer Identification Number Reporting
- Federal law requires Escrow Agent to report Seller's social security number and/or tax identification number, forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). Escrow can not be closed nor any documents recorded until the information is provided and Seller certifies its accuracy to Escrow Holder.
- B. Federal Withholding & Reporting
- Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation or partnership, a domestic corporation or partnership controlled by non-residents or non-resident corporations or partnerships.
- C. Taxpayer Identification Disclosure
- Parties to a residential real estate transaction involving seller-provided financing are required to furnish, disclose, and include taxpayer identification numbers in their tax returns. Escrow Agent is not required to transmit the taxpayer I.D. numbers to the IRS of the parties. Escrow Agent is authorized to release any party's taxpayer I.D. numbers to any other party upon receipt of a written request. The parties waive all rights of confidentiality regarding their taxpayer I.D. numbers and agree to hold Escrow Agent harmless against any fees, costs, or judgments incurred and/or awarded because of the release of taxpayer I.D. numbers.
21. Loan Payoffs. It is acknowledged and understood that Escrow Agent has been quoted a payoff on our loan(s) by the Lender(s). Said payoff quote is the best information available at the time of closing. In the event said amount(s) are incorrect, including but not limited to, funds that did not clear or any disbursements paid by Lender of additional amounts owing under said loan(s), the Borrower assumes full responsibility for additional monies owed, including any per diem figures. In addition, Borrower authorizes the disbursement of any funds held in escrow accounts by Lender(s) to be applied to payoff or disbursed as reimbursement to Title Company in the event said payoff(s) are short.

Seller(s) Initials: ND

Buyer(s) Initials: YPA  
YBS

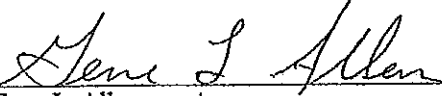
22. Privacy Policy. The undersigned Buyer and Seller hereby acknowledge receipt of a copy of the Privacy Policy of Backman Title Services Ltd.
23. Closing Conditions. Seller and Buyer represent to Escrow Agent that they have delivered to Escrow Agent an entire copy, including addendums and exhibits, of the Real Estate Purchase Contract. Seller and Buyer also represent to Escrow Agent that all conditions to closing in the Contract have been satisfied or are hereby waived.

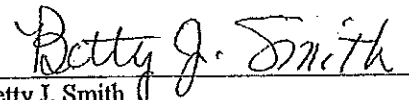
Dated: June 2, 2010

SELLER(S):

  
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David W. Olsen

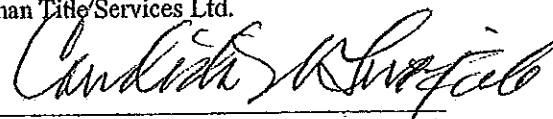
BUYER(S):


  
\_\_\_\_\_  
Gene L. Allen

  
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Betty J. Smith

ESCROW AGENT:

Backman Title Services Ltd.

By:   
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Candida W. Su'a-Filo

Seller(s) Initials: 

Buyer(s) Initials: 