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**RESERVE ACCOUNT ADDENDUM TO ESCROW COLLECTION INSTRUCTIONS**

RE: ESCROW #:

 BUYER/BORROWER:

 SELLER:

 The buyer shall deposit, together with the monthly installment, 1/12th of the estimated property tax amount in the amount of $ .

 The buyer shall deposit, together with the monthly installment, 1/12th of the estimated annual insurance amount in the amount of $ .

It is agreed that it shall be the buyers/borrowers responsibility to provide to PIONEER TITLE COMPANY the annual tax and insurance billings (whichever applies herein) prior to the due date of said billing(s). PIONEER TITLE COMPANY is hereby instructed to pay the amounts shown on the statements provided there are adequate funds on deposit to make said payment(s).

In the event the buyers/borrowers fail to provide the tax or insurance billings to PIONEER TITLE COMPANY, then the buyers/borrowers agree to be responsible for payment of any penalty or interest which could be assessed.

The parties herein agree that should the property tax sand/or insurance amounts increase or decrease, the buyers monthly deposit shall also increase or decrease. It is agreed that PIONEER TITLE COMPANY shall be notified in writing by the parties as to any changes in tax and/or insurance amounts. Buyers agree to promptly pay said new amount(s) upon notification of change.

The buyers/borrowers further agree that should the amounts billed for taxes and/or insurance be in excess of the amount held in the reserve account, they will promptly provide any additional amounts necessary to pay the tax and/or insurance billings. It is agreed that PIONEER TITLE COMPANY will not advance any funds, and should buyer delay in depositing said additional amounts, buyer shall be responsible for any late penalties or charges which could or may accrue as a result of the delay in payment.

It is agreed that PIONEER TITLE COMPANY shall assess a $15.00 fee per disbursement made from the reserve account.

BUYER: SELLER: