

TIMBERLAND BANK Note Servicing Instructions & Set-up Form

Before you begin:

Right to Decline: Because there may be terms in your Real Estate Contract or Deed of Trust & Promissory Note that we are not set up to service, Timberland Bank may, at our discretion, choose not to act as the collection agent for either party. We will review your documents carefully and notify you as promptly as possible if we choose to decline the Note Servicing Account.

Interest: Timberland Bank collects interest one month in arears. Put simply, January's payment pays December's interest, February payment pays January's interest and so on. The formula used for calculating interest is:

Outstanding Principal Balance on the date the payment is made, multiplied by the interest rate divided by twelve. This is unless specified differently in the note.

	BUYER(S):		SELLER(S):		
Name(s)*:					
Mailing Address:					
Phone Number:					
Email Address:					
Property Address:					
individual seller com	plete the W9 Tax Inform	ation we request i	re that EACH individual buyer and EACH in full. De deposited with Timberland Bank: Deed of Trust Promissory Note Request for Full Reconveyance		
The above listed documents are datedwith an unpaid principal balance due to Seller of					
	, payable in	_installments of	or more beginning (1st payment		
date)	including an inte	rest rate of	% from (interest start date)		

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2.	Set Up Fee must be paid prior to the new account being set up. Paid by: Buyer% Seller%				
	Set Up with a Reserve Account: \$350.00				
	Property Taxes:/month Insurance:/month				
	Please call Timberland Bank if you are establishing a reserve account so we can discuss the required initial reserve deposit needed.				
	Set Up without a Reserve Account: \$250.00				
3.	The Processing Fee Schedule is as follows: <u>PLEASE COMPLETE BELOW AND PROVIDE INFO –REQUIRED.</u>				
	\$10.00 Funds disbursed to a Timberland Bank account from a Timberland Bank account (internal autopay) (\$2.00 each additional account)				
	\$13.00 Timberland Bank – (Checking, Savings, or Loan Account) - \$2.00 each additional account				
	\$20.00 Electronically (per EDI Form) to another Financial Institution - \$5.00 each additional account				
	\$25.00 to mail a check - \$10.00 (each additional check)				
	\$10.00 Reserve Maintenance (applies to all accounts setup with a Reserve Account)				
	(The Seller will automatically receive a Payment Notification with the above Disbursement Choices)				
	OptionalAdd Ons:				
	\$5.00 Buyer Payment Receipts				
	(Unless added – Buyer will only receive an Annual 1098 Statement for Previous Year)				
	\$5.00 to send Past Due Reminders to Buyer and Seller (generated twice per month)				
	Seller responsible for% of processing fees Buyer responsible for% of processing fees				
4.	Payments are to be disbursed to the Seller(s) as follows:				
	Deposit to Timberland Account #				
	Apply to Timberland Loan #				
	Deposit to another Financial Institution (EDI Form must be completed)				
	Mail a check to Seller(s) at mailing address provided				

FLOOD INSURANCE COVERAGE: Note Servicing set up with a Timberland Bank underlying loan, in which the property is in a flood zone, has the following requirements: Timberland Bank requires the Contract Purchaser to obtain flood insurance coverage (minimum amount required by law) and set up an escrow account to pay annual premiums. Timberland Bank and the Contract Seller must be listed as mortgagees on the flood insurance policy. Any deviation from the agreement must be approved by the Loan Servicing Manager.

OTHER COVENANTS AND CONDITIONS: Timberland Bank will provide notification of payments received, annual statements to both buyer and seller, and 1098 and/or 1099 statements for tax purposes. If the collection account is accepted, Timberland Bank shall be responsible only for the exercise of ordinary care in the safekeeping of the documents delivered to Timberland Bank by the parties, the receipt of such payments as may be tendered to it thereon, and application and distribution thereof as set forth in this agreement. This

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document contains the entire agreement of the parties. There are no covenants or agreements other than as set forth herein. Timberland Bank shall have no other duties or liabilities in connection herewith. These instructions do not constitute an escrow and may be revoked, and the papers may be withdrawn by the seller at any time. Nothing in this agreement or in the actions of Timberland Bank pursuant to this agreement shall constitute the transaction of business outside of the State of Washington. Any legal action involving Timberland Bank as a party shall occur in the Superior Court of the State of Washington with venue in Grays Harbor County. The laws of the State of Washington shall govern this agreement.

Buyer shall make payments to Timberland Bank, in person at any branch, by mail to 624 Simpson Ave, Hoquiam, WA 98550, or Electronic Auto Pay (APS Form required). Inquiries should be directed to the Note Servicing/Contract Collections Department at (360) 533-4747 ext. 1011 or by email at contractcollections@timberlandbank.com.

DISBURSEMENT OF PAYMENTS: Timberland Bank will disburse the funds as instructed herein after receiving payment from the borrower. Timberland Bank reserves the right to hold the funds for a period of up to 5 business days before disbursing them to the seller to ensure the funds are collected. If Timberland Bank receives notice that a check or other transfer is being returned to Timberland Bank due to charge back or stop payment, there will be a \$35.00 fee assessed to the remitter.

Prior to the new account being active to process payments, all paperwork needs to be completed in full, and be accurate and legible. Payments to the account will not be accepted until the account is confirmed to be set up.

5. Signatures: All parties named in the Real Estate Contract or Deed of Trust must sign.

By signing below, you acknowledge that you have read these instructions thoroughly, and that you understand and agree to the terms herein.

BUYERS:	SELLERS:		
Signature	Signature		
Signature	Signature		
For Internal Use Only			
Date Received:			
Notes:			
Date Set Up Completed:	Set Up By:		

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