

# ESCROW HOLDBACK ADDENDUM

**I. The Parties.** This Escrow Agreement Holdback Addendum ("Addendum") is hereby made a part of a certain Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_\_\_ ("Agreement") by and between \_\_\_\_\_ ("Seller") and \_\_\_\_\_ ("Buyer"). Under the terms of this Addendum, \_\_\_\_\_ ("Escrow Agent") shall act as the Escrow Agent for the purpose of consenting to the terms of this Addendum.

Buyer and Seller have agreed and are desirous and willing that the closing of the transaction, in accordance with the Agreement, shall be amended to reflect the terms of this Addendum as follows:

**II. Seller's Obligations.** Seller acknowledges that prior to or at the closing \_\_\_\_\_ Dollars (\$) shall be held by the Escrow Agent until the following obligations are satisfied by the Seller and approved by the Buyer or any third (3<sup>rd</sup>) party: \_\_\_\_\_

**III. Escrow Fee.** The Buyer and Seller appoint the Escrow Agent to hold earnest money ("Escrow Funds") and to oversee that the terms of the Seller's obligations are met in accordance with this Addendum. Escrow Agent shall be paid \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for their efforts in this appointment.

**IV. Escrow Agent's Duties.** It is hereby expressly agreed that in the event a conflict should arise between the terms of this Addendum and those of the Agreement, the terms of this Addendum shall control and have priority. Buyer and Seller agree that (a) the Escrow Agent shall be a stakeholder only and not liable for any losses, costs, or damages it may incur in performing its responsibilities hereunder unless such losses, costs, or damages shall arise out of the willful default or gross negligence of the Escrow Agent or any of its agents, (b) that no releases or disbursements shall be made hereunder unless there is written consent by both Buyer and Seller themselves or through their authorized agents or counsel; (c) that in the event of a dispute hereunder between Buyer and Seller (or their successors or assigns), Escrow Agent shall have the right, exercisable in its sole discretion, to be discharged by tendering unto the registry or custody of any court of competent jurisdiction, the closing documents and Escrow Funds, together with any such legal pleadings as it deems appropriate; and (d) that in the event Escrow Agent tenders the funds to the court in an interpleader action, Escrow Agent shall have the right to charge an additional fee of \_\_\_\_\_ Dollars (\$) towards their costs. All fees of the Escrow Agent may be withheld and paid prior to any court action. Furthermore, Buyer and Seller shall indemnify the Escrow Agent for all of its expenses, costs, and reasonable attorneys' fees incurred in connection with said interpleader action that shall exceed the Escrow Agent's fees.

**V. Disbursement.** Upon receipt of written consent from both Buyer and Seller, or their respective agent(s) or counsel, Escrow Agent shall disburse the Escrow Funds in accordance with the written instructions given. Said instructions or disbursement shall not be unreasonably withheld and may be given in duplicate counterparts and by electronic mail. Escrow Agent requests delivery of such instructions at least twenty-four (24) hours before any disbursement is needed. Escrow Agent shall have the right to deduct the Escrow Agent's unpaid fee and any costs incurred for standard charges in connection with payment of the disbursement.

**VI. Receipt.** Upon receipt of any written certification from Buyer or Seller claiming the Escrow Funds pursuant to the provisions of the Agreement and this Addendum, Escrow Agent shall promptly notify the non-requesting party unless the non-requesting party, within five (5) business days from receipt



of this notice, objects to the requested disbursement of Escrow Funds, Escrow Agent shall disburse the Escrow Funds to the requesting party and shall thereupon be released and discharged from any further duty or obligation hereunder.

**VII. Escrow Account.** All checks, money orders, wires or drafts sent to the Escrow Agent under this Addendum will be processed for the collection in the normal course of business. Escrow Agent will not commingle funds received and agrees to keep all funds in an escrow account that is federally insured in accordance with State laws.

**VIII. Funds Received.** Escrow Agent shall not be liable for any loss or damage resulting from the following: (a) any default, error, action or omission of any other party; (b) the expiration of any time limit unless such time limit was known to the Escrow Agent and such loss is solely caused by failure of Escrow Agent to proceed in its ordinary course of business; (c) any loss or impairment of funds while Escrow Funds are deposited in an escrow account that is federally insured resulting from failure, insolvency, or suspension of such bank; (d) Escrow Agent complying with any and all legal process, writs, orders, judgments and decrees of any court whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

**IX. Verified Statements.** Escrow Agent shall be entitled to rely upon the instructions and other matters covered thereby and shall not be required to investigate the authority of the person executing and delivering such instructions, or otherwise verify the accuracy of the statement of information presented therein.

**X. Terms.** The terms and provisions of this Addendum are for the benefit of the Seller, Purchaser, and Escrow Agent including any of their respective successors and assigns only. Nothing contained herein shall be deemed or construed to inure to the benefit of any other person or party, it is the express intent of Seller, Purchaser, and Escrow Agent that no such person or entity shall be entitled to any of the benefits hereof, except as herein expressly provided.

**XI. Time is of the Essence.** Time is of the essence in this Addendum. This Addendum may be executed by electronic signature, which for all purposes shall be deemed to constitute originals. This Addendum may be executed by counterparts, all of which when taken together shall be deemed one original.

**XII. Interest Earned.** Pursuant to 26 CFR § 1.468B-7, any interest earned on the funds held in escrow shall accrue to the benefit of the Buyer.

**Buyer's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Buyer's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Seller's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Seller's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Agent's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Agent's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

