

# ESCROW AGREEMENT

DATE \_\_\_\_\_

LOAN # \_\_\_\_\_

PROPERTY ADDRESS \_\_\_\_\_

LENDER \_\_\_\_\_

BORROWER(S) \_\_\_\_\_

SELLER \_\_\_\_\_

A list of work designated by the appraiser is attached hereto and incorporated herein by reference sets forth the work to be performed on the property shown above as a precondition to a loan by lender to buyer. In order to induce the lender to close the loan notwithstanding the incomplete work, the undersigned party or parties agree with the lender as follows:

Escrow deposit - the seller or buyer deposits the sum of \$ \_\_\_\_\_ as an "escrow deposit" with \_\_\_\_\_, the "escrow agent". Funds deposited shall be held in escrow to secure performance of administering this escrow, and shall be disbursed as provided herein.

2) Verification of work completion - the work shall be performed by the seller's or buyer's designate. The lender may appoint an inspector of its choice to inspect the property and verify that the work has been completed. When completed, the inspector shall provide a clear inspection stating all work has been completed to the lender. Seller, buyer, & lender shall accept the inspector's judgment regarding completion.

3) Completion date and inspection - the work must be completed on or before \_\_\_\_\_, and to the satisfaction of the inspector, and must meet all Applicable building codes.

4) Failure to complete work by completion date - if the work is not fully completed by the date specified above, the lender, at its sole option, can authorize to have the work completed by a designate of its choice and pay the costs from the escrow deposit without the necessity of obtaining the seller's or buyer's approval.

5) Release of escrow deposit - when a signed satisfactory inspection is delivered to and approved by the lender, the lender will notify the "escrow agent" to release the funds. The "escrow agent" may use a portion of the deposit to pay for work to vendor, contractor, or inspector upon receipt of the bills. The contractor must furnish any applicable lien waiver to the "escrow agent" prior to payment in full. The seller, buyer, and lender agree to accept the escrow agent's determination regarding the documents required prior to Disbursement, which determination shall be final, binding, and not subject to challenge.

Any remaining balance of escrow deposit shall be refunded to the responsible party whom deposited the funds upon payment of all expenses incurred by the "escrow agent" or the lender. The responsible party shall accept the refunded balance, if any, as settlement in full under this agreement.

If the expenses incurred exceed the amount of the escrow deposit, the seller or buyer agrees to pay the excess. In the event the lender elects to pay amounts in excess of the escrow balance for necessary work actually completed either before or during the term of this agreement, the responsible party agrees to reimburse the lender for the amount paid without recourse.

6) Access to subject property - the buyer agrees to make the subject property accessible for the work and any inspections.

SELLER \_\_\_\_\_ BORROWER \_\_\_\_\_

SELLER \_\_\_\_\_ BORROWER \_\_\_\_\_

NOTARY \_\_\_\_\_ COMMISSION EXPIRES \_\_\_\_\_  
(SEAL)

ADDENDUMS:

1) A DETAILED LIST OF WORK THAT NEEDS TO BE COMPLETED AND SIGNED BY THE APPRAISER OR INSPECTOR.