

Purchase Agreement Escrow Clause Sample

Escrow Clause

The parties hereby agree that the earnest money deposit of \$ _____ ("Deposit") shall be delivered to and held in escrow by _____ ("Escrow Agent"), whose address is _____.

The Deposit will be held by the Escrow Agent in a non-interest-bearing account pending closing of the transaction contemplated by this Agreement, and will be disbursed as follows:

1. If the transaction closes in accordance with the terms and conditions of this Agreement, the Deposit shall be applied to the Purchase Price at closing.
2. If the transaction fails to close due to a default by the Buyer, the Deposit shall be forfeited to the Seller as liquidated damages, unless otherwise agreed in writing by the parties.
3. If the transaction fails to close due to a default by the Seller, the Deposit shall be returned to the Buyer, unless otherwise agreed in writing by the parties.

The parties acknowledge that the Escrow Agent is acting solely as a stakeholder and shall not be liable to any party except for gross negligence or willful misconduct. The parties further agree that the Escrow Agent may rely upon written instructions of both parties in connection with the release of the Deposit and shall be indemnified and held harmless by both parties from and against all losses, claims, damages, and expenses, except for those arising out of the Escrow Agent's gross negligence or willful misconduct.

In the event of any dispute between the parties with respect to the Deposit, the Escrow Agent may continue to hold the Deposit until jointly instructed in writing by the parties or until a court of competent jurisdiction directs the disposition of the Deposit.

IN WITNESS WHEREOF

The parties hereto have executed this Escrow Clause as of the dates written below.

Buyer Signature

Date: _____

Seller Signature

Date: _____