

Escrow Holdback Agreement

DATE: _____

LOAN #: _____ FHA/VA CASE NUMBER IF APPLICABLE _____

PROPERTY ADDRESS: _____

BORROWER(S): _____

SELLER: _____

CLOSING AGENTS' NAME: _____

TELEPHONE NUMBER _____ FAX NUMBER _____

ADDRESS: _____

A list of work designated by the appraiser/lender 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:

- 1) Escrow deposit - the seller or buyer deposits the sum of \$_____ as an "escrow deposit" with the closing agent named above, 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 in a professional manner. When completed, the inspector shall provide a clear inspection on the appropriate agency required form(s) 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.
- 6) Any remaining balance of escrow deposit shall be refunded to the seller upon payment of all expenses incurred by the "escrow agent" or the lender. Seller shall accept the refunded balance, if any, as settlement in full under this agreement.

- 7) 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.
- 8) Access to subject property - the buyer/homeowner agrees to make the subject property accessible for the work and any inspections.

I/We acknowledge and agree to hold Florida Capital Bank free and harmless from any claim and/or liability including court cost and attorney's fees, that may result from the holding and/or releasing of said escrow funds.

Borrower _____ Seller _____

Borrower _____ Seller _____

Closing Agent _____

Notary _____

Commission expires _____ (seal)