

ESCROW AGREEMENT

This is a customizable starting template, not a finished legal document. Replace every [BRACKETED] field with your specifics, delete or adapt any clause that does not fit your deal, and have a licensed attorney in the governing jurisdiction review it before you or anyone else signs. CyberSygn is not a law firm and this template is not legal advice.

This Escrow Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and among:

[PARTY A LEGAL NAME], a [STATE] [ENTITY TYPE / INDIVIDUAL] with its principal place of business or residence at [PARTY A ADDRESS] ("**Depositing Party**");

[PARTY B LEGAL NAME], a [STATE] [ENTITY TYPE / INDIVIDUAL] with its principal place of business or residence at [PARTY B ADDRESS] ("**Receiving Party**"); and

[ESCROW AGENT LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [ESCROW AGENT ADDRESS] ("**Escrow Agent**").

The Depositing Party and the Receiving Party are each a "**Principal Party**" and together the "**Principal Parties**." Each signatory is a "**Party**" and all are the "**Parties**."

Recitals. The Principal Parties have entered into, or are negotiating, a transaction described as [DESCRIBE UNDERLYING TRANSACTION, e.g. the purchase and sale of [ASSET] under an agreement dated [DATE]] (the "**Underlying Transaction**"). To secure performance, the Principal Parties wish to deposit certain funds and/or documents with the Escrow Agent, to be held and released on the terms below, and the Escrow Agent is willing to serve in that capacity. In consideration of the mutual promises below, the Parties agree as follows.

1. Appointment and Acceptance

1.1 Appointment. The Principal Parties appoint the Escrow Agent to receive, hold, and disburse the Escrow Property (defined below) strictly in accordance with this Agreement, and the Escrow Agent accepts the appointment on these terms.

1.2 Limited duties. The Escrow Agent's duties are purely ministerial and are limited to those expressly stated in this Agreement. The Escrow Agent has no duty to the Principal Parties or anyone else beyond those expressly stated.

1.3 No interest in the transaction. The Escrow Agent is not a party to, and has no responsibility for, the Underlying Transaction and is not required to review or enforce it.

2. The Escrow Property

2.1 Deposit. On or before [DEPOSIT DATE], the Depositing Party will deposit with the Escrow Agent the following (the "**Escrow Property**"): [DESCRIBE, e.g. \$[AMOUNT] in immediately available funds / executed documents / certificates].

2.2 Holding of funds. The Escrow Agent will hold any escrowed funds in [a non-interest-bearing account / a segregated account at [BANK]]. Any interest earned will be [allocated as follows / retained by the Escrow Agent to offset fees], as the Principal Parties direct.

2.3 **No commingling.** The Escrow Agent will keep the Escrow Property separate from its own assets and will not commingle it with other funds except as permitted by the account arrangements described above.

3. Release Conditions and Disbursement

3.1 **Release conditions.** The Escrow Agent will release the Escrow Property only on the occurrence of one or more of the following (each a "Release Condition"): (a) receipt of joint written instructions signed by both Principal Parties; (b) [receipt of [SPECIFIC DOCUMENT or CONFIRMATION]]; or (c) a final, non-appealable order of a court or arbitrator of competent jurisdiction directing disbursement.

3.2 **Disbursement.** Within [NUMBER] business days after a Release Condition is satisfied, the Escrow Agent will disburse the Escrow Property to the Party or Parties entitled to it, as the Release Condition directs.

3.3 **Method.** The Escrow Agent will disburse funds by [WIRE TRANSFER / CHECK] to the account or address designated in writing by the receiving Party, and will deliver documents by [METHOD].

3.4 **Partial release.** If a Release Condition authorizes a partial disbursement, the Escrow Agent will release that portion and continue to hold the remainder under this Agreement.

4. Conflicting Demands and Disputes

4.1 **Conflicting instructions.** If the Escrow Agent receives instructions or demands that conflict, or that the Escrow Agent in good faith believes conflict, the Escrow Agent may refrain from acting until it receives joint written instructions or a final order described in Section 3.1(c).

4.2 **Interpleader.** If a dispute arises that the Principal Parties do not resolve within [NUMBER] days, the Escrow Agent may deposit the Escrow Property with a court of competent jurisdiction and commence an interpleader or similar action, and on doing so will be released from further duty as to the deposited property.

4.3 **Costs of dispute.** The Principal Parties will jointly and severally reimburse the Escrow Agent for reasonable costs, including attorneys' fees, incurred in connection with any dispute over the Escrow Property, allocated between the Principal Parties as they agree or as a court directs.

5. Escrow Agent Fees and Expenses

5.1 **Fees.** The Principal Parties will pay the Escrow Agent a fee of [AMOUNT or FEE SCHEDULE] for its services, allocated [50/50 / as follows] between the Principal Parties.

5.2 **Expenses.** The Principal Parties will reimburse the Escrow Agent for reasonable out-of-pocket expenses incurred in performing its duties.

5.3 **Right to deduct.** The Escrow Agent may deduct its earned fees and reimbursable expenses from escrowed funds before disbursement, to the extent permitted by applicable law and not inconsistent with the Release Conditions.

6. Liability and Indemnification of Escrow Agent

6.1 **Standard of liability.** The Escrow Agent is liable only for its own gross negligence, willful misconduct, or bad faith. It is not liable for any act taken or omitted in good-faith reliance on this Agreement or on instructions or documents it reasonably believes to be genuine and properly authorized.

6.2 **Reliance.** The Escrow Agent may rely on the genuineness of any signature and document and on the authority of any person giving instructions, and has no duty to investigate.

6.3 Indemnification. The Principal Parties will jointly and severally indemnify and hold the Escrow Agent harmless from any claim, loss, liability, or expense (including reasonable attorneys' fees) arising from its service as Escrow Agent, except to the extent caused by the Escrow Agent's gross negligence, willful misconduct, or bad faith.

6.4 No advice. The Escrow Agent gives no legal, tax, or financial advice and the Principal Parties have not relied on it for such advice.

7. Resignation and Removal

7.1 Resignation. The Escrow Agent may resign on **[NUMBER, e.g. 30]** days' written notice to the Principal Parties.

7.2 Removal. The Principal Parties may jointly remove the Escrow Agent on written notice.

7.3 Successor. On resignation or removal, the Principal Parties will jointly designate a successor escrow agent, and the outgoing Escrow Agent will deliver the Escrow Property to the successor (or, failing timely designation, to a court under Section 4.2) and will then be discharged from further duty.

8. Term and Termination

8.1 Term. This Agreement begins on the Effective Date and continues until the Escrow Property is fully disbursed in accordance with this Agreement.

8.2 Survival. The Escrow Agent's rights to fees, expenses, and indemnification, and the limitations on its liability, survive termination and the resignation, removal, or discharge of the Escrow Agent.

9. General Provisions

9.1 Governing law and venue. This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the courts located in **[COUNTY, STATE]**.

9.2 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt. Wire and disbursement instructions must be confirmed in the manner the Escrow Agent reasonably requires to guard against fraud.

9.3 Assignment. No Party may assign this Agreement without the written consent of all Parties.

9.4 Entire agreement; amendment. This Agreement is the entire agreement among the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by all Parties.

9.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

9.6 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

DEPOSITING PARTY

RECEIVING PARTY

ESCROW AGENT

Signature: _____

Signature: _____

Signature: _____

Printed name: **[NAME]**

Printed name: **[NAME]**

Printed name: **[NAME]**

Title: **[TITLE / N/A]**

Title: **[TITLE / N/A]**

Title: **[TITLE]**

Date: _____

Date: _____

Date: _____

Template provided by CyberSygn. Not legal advice. CyberSygn is not a law firm. Consult a licensed attorney in your jurisdiction before relying on this document.