

# Investors Title Insurance Company

P.O. Drawer 2687, Chapel Hill, North Carolina 27515-2687

## ESCROW AGREEMENT

This Escrow Agreement dated \_\_\_\_\_ (this “**Agreement**”), is made and entered into by and between \_\_\_\_\_ (“**Seller**”), \_\_\_\_\_ (“**Purchaser**”), and Investors Title Insurance Company, a North Carolina corporation (“**Escrow Agent**”).

### Required SELLER Information:

Tax ID: \_\_\_\_\_  
Mailing address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Required PURCHASER Information:

Tax ID: \_\_\_\_\_  
Mailing address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

WHEREAS, Seller and Purchaser have entered into that certain Contract for the Sale and Purchase of Real Property having an Effective Date of \_\_\_\_\_, as to certain real property (hereinafter referred to as the "Property") situated in \_\_\_\_\_ County, in the State of \_\_\_\_\_ (the “**Sales Contract**”).

WHEREAS, Seller and Purchaser desire that the closing of the transaction contemplated by the Sales Contract take place in accordance with the terms and provisions of this Agreement.

WHEREAS, pursuant to Section \_\_\_\_\_ of the Sales Contract, Purchaser and Seller have appointed Investors Title Insurance Company to hold earnest money in the amount of \$\_\_\_\_\_ (the “**Escrowed Funds**”), which sum will be held in accordance with the terms of this Agreement and the Sales Contract.

NOW, THEREFORE, in furtherance of the transaction contemplated by the Sales Contract, and for and in consideration of \$250.00 cash paid in hand to Escrow Agent, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. Seller and Purchaser hereby designate, constitute and appoint Investors Title Insurance Company as Escrow Agent under this Agreement to hold Escrowed Funds, and Escrow Agent accepts such designation and appointment, and agrees to act in accordance with the terms of this Agreement. It is hereby expressly understood and agreed that in the event a conflict should arise as between the terms of this Agreement and those of the Sales Contract, the terms of this Agreement will control.

2. Notwithstanding any provisions regarding interest in the Sales Contract, Purchaser and Seller hereby request that the Escrowed Funds (select ONE option; if neither is selected, the second option below will be deemed selected):

accrue interest to the benefit of \_\_\_\_\_ [*insert Purchaser or Seller*] (if left blank, Purchaser will be beneficiary, in accordance with 26 CFR § 1.468B-7).

**do not** accrue interest to the benefit of Purchaser/Seller.

3. All checks, money orders, wires or drafts sent to Escrow Agent under this Agreement will be processed

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for collection in the normal course of business. Escrow Agent will deposit the Escrowed Funds in a segregated savings account with a federally-insured banking institution. All funds received by check will be held for a minimum of five (5) business days prior to transfer to a segregated account or disbursement.

4. Upon Escrow Agent's receipt of consistent written instructions from both Seller and Purchaser, or their respective counsel or brokers, Escrow Agent will disburse the Escrowed Funds in accordance with such instructions. Such instructions may be given in duplicate counterparts and delivered via electronic mail. Escrow Agent requests delivery of such instructions at least twenty-four (24) hours before disbursement is needed. Notwithstanding the foregoing provisions of this Section 4, in the event that Seller or Purchaser provides Escrow Agent and the other party with a written certification claiming the Escrowed Funds pursuant to certain provisions of the Sales Contract, Escrow Agent, at its absolute and sole discretion, may elect to proceed by: (i) notifying Purchaser and Seller that it intends to disburse the Escrowed Funds in accordance with such request unless the non-requesting party delivers a written objection to such requested disbursement within ten (10) business days after receipt of said notice, and (ii) so disbursing the Escrowed Funds to the requesting party after such ten (10) business day period, provided the non-requesting party has not objected to such disbursement in accordance with this Section. Upon such a disbursement, Escrow Agent will be released and discharged from any further duty or obligation hereunder.
5. Escrow Agent will be entitled to rely upon the instructions and other matters covered thereby, and will not be required to investigate the authority of the person executing and delivering such instructions, or otherwise verify the accuracy of the statements or information presented therein.
6. Escrow Agent will not be accountable for any incidental benefit, which may be attributable to the Escrowed Funds. Escrow Agent will not owe a fiduciary responsibility to Purchaser and Seller, and will 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 arise out of the willful default or gross negligence of Escrow Agent or its agents. Furthermore, and in no way limiting the foregoing sentence, Escrow Agent will 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 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 on deposit with a federally-insured bank, resulting from failure, insolvency or suspension of such bank; and
  - d. Escrow Agent's compliance 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.
7. In the event of a dispute hereunder between Seller and Purchaser (or their successors or assigns), Escrow Agent will have the right, exercisable in its sole discretion, to resign by giving written notice to Seller and Purchaser, specifying a date on which such resignation will take effect, which will be no earlier than ten (10) business days after the delivery of such notice. Promptly upon receipt of such notice, Seller and Purchaser will appoint a mutually acceptable successor escrow agent. Upon delivery by the successor escrow agent to Seller, Purchaser, and Escrow Agent of a written instrument accepting such appointment, the successor escrow agent will succeed to all the rights and duties of Escrow Agent hereunder. If a

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successor escrow agent is not appointed by the expiration of such ten (10) business day period, Escrow Agent will 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 Escrowed Funds, together with any such legal pleadings as it deems appropriate. In such an event, Escrow Agent will have the right to charge an administrative fee of \$500.00 toward its costs, which will be in addition to any Escrow Agent fee charged. At Escrow Agent's discretion, all applicable fees charged by Escrow Agent may be withheld from the Escrowed Funds tendered to the court. Purchaser and Seller will indemnify and hold harmless Escrow Agent for all of its expenses, costs and reasonable attorneys' fees incurred in connection with such interpleader action in excess of \$500.00. Escrow Agent will have the right to deduct its unpaid fee and any costs it has incurred for overnight delivery charges or wire transfer fees from the Escrowed Funds prior to disbursement.

8. The terms and provisions of this Agreement are for the benefit of Seller, Purchaser, and Escrow Agent and their respective successors and assigns only. Nothing contained herein will be deemed or construed to inure to the benefit of any other person or party, it being the express intent of Seller, Purchaser, and Escrow Agent that no such person or party will be entitled to any of the benefits hereunder, except as expressly provided herein.
9. This Agreement is intended as a contract under the laws of the State of North Carolina and will be governed thereby and construed in accordance therewith.
10. This Agreement may be executed by electronic signatures, which for all purposes will be deemed to constitute originals. This Agreement may be executed in counterparts, all of which when taken together will be deemed one original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

**SELLER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PURCHASER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ESCROW AGENT:**

Investors Title Insurance Company,  
a North Carolina corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_