



**ESCROW AGREEMENT BETWEEN BUYER, SELLER, AND ESCROW AGENT**  
**(THIS ESCROW AGREEMENT IS NOT PART OF THE CONTRACT OF SALE)**

Contract of Sale between Buyer \_\_\_\_\_  
and Seller \_\_\_\_\_  
for Property known as \_\_\_\_\_.

1. **DEPOSIT DEFINED:** "Deposit" means the "initial Deposit" specified in paragraph 7(a) and the "additional Deposit" specified in Paragraph 7(b) of the Contract of Sale.
2. **BUYER'S SELECTION OF ESCROW AGENT:** Buyer selects \_\_\_\_\_ ("Escrow Agent") for the transaction. Escrow Agent is not a party to the Contract of Sale. Buyer and Seller agree that Escrow Agent assumes no duty or liability for the performance, non-performance or otherwise of Buyer's or Seller's obligations under the Contract of Sale.
3. **RECEIPT OF DEPOSIT:** Escrow Agent acknowledges receipt of the Deposit in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on Date of Deposit Receipt as stated below. Escrow Agent acknowledges receipt of Additional Deposit (if applicable) in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on the Date of Deposit Receipt for Additional Deposit as stated below.
4. **HANDLING OF DEPOSIT:** Escrow Agent shall, within seven (7) business days of Date of Deposit Receipt, place the Deposit in Escrow Agent's Trust Account. Escrow Agent may not use the Deposit for any purpose other than that for which it is entrusted to Escrow Agent. Neither Buyer nor Seller shall receive interest on the Deposit. Escrow Agent may pool and commingle other trust funds with the Deposit as allowed by law.
5. **NOTIFICATION OF INSUFFICIENT FUNDS:** If the Deposit check is returned for insufficient funds or wire is dishonored, Escrow Agent shall notify Buyer and Seller, and their agents, in writing within five (5) business days from receipt of notice from the financial institution where the Deposit was placed.
6. **MAINTENANCE AND DISPOSITION OF DEPOSIT:** Escrow Agent agrees to maintain the Deposit in Escrow Agent's Trust Account until:
  - A. **SETTLEMENT:** The real estate transaction settles in which case the Deposit shall be applied to the Purchase Price at settlement. If Escrow Agent is not conducting settlement, Escrow Agent shall timely deliver Deposit to settlement agent;
  - B. **RELEASE OF DEPOSIT AGREEMENT:** Escrow Agent receives proper written instructions executed by both Buyer and Seller directing withdrawal or other disposition of the Deposit; **OR**
  - C. **INTERPLEADER:** Escrow Agent files an action for interpleader and delivers the Deposit to a court of competent jurisdiction in the State of Maryland.
7. **DISPUTES:**
  - A. **MEDIATION:** Buyer and Seller acknowledge that if the Contract of Sale obligates the parties to mediate deposit disputes, Buyer and Seller agree to abide by the terms of the mediation provision in the Contract of Sale. If during mediation, Buyer and Seller execute a written agreement concerning the Deposit, Escrow Agent agrees to accept and abide by its terms. If Buyer and Seller execute Maryland REALTORS® Release of Deposit Agreement, Escrow Agent agrees to accept and abide by its terms.
  - B. **HOLDING DISPUTED FUNDS:** Escrow Agent may, at its option, hold disputed funds until a Release of Deposit Agreement is executed by Buyer and Seller.
  - C. **ACTION FOR INTERPLEADER:** In the event of any litigation or dispute between Buyer and Seller concerning the release of the Deposit, Escrow Agent's sole responsibility may be met, at Escrow Agent's option, by paying the Deposit into the court in which such litigation is pending, or by paying the Deposit into a court of proper jurisdiction by an action for interpleader. Buyer and Seller agree that, upon Escrow Agent's payment of the Deposit into the court, neither Buyer nor Seller shall have any further right, claim, demand or action against Escrow Agent regarding the release of the Deposit; and Buyer and Seller, jointly and severally, shall indemnify and hold Escrow Agent harmless from any and all such rights, claims, demands or actions. In the event of such dispute and election by Escrow Agent to file an action for interpleader as herein provided, Buyer and Seller further agree and hereby expressly and irrevocably authorize Escrow Agent to deduct from the Deposit all costs incurred by Escrow



