



HOLDBACKS REQUIRE LAND TITLE AND ESCROW UNDERWRITER/MANAGEMENT APPROVAL

Here are eight points to consider before preparing an Addendum to the Purchase and Sale Agreement that includes holdbacks:

- 1) Timing - how long does it need to be held (we don't want anything more 90 days)
- 2) Detailed account of what the holdback is for (must be very specific)
- 3) Parties must mutually agree in writing to disburse funds when the conditions of the holdback have been met
- 4) Parties agree that if there are extra funds, who will get the extra funds, if any
- 5) What will happen if the condition of the holdback is not completed
- 6) What will happen if the parties don't agree to a mutual disbursement (interplead funds)
- 7) Parties must agree that if holdback funds are not sufficient to cover the conditions of the holdback, the shortage will be handled outside of escrow
- 8) Parties are required to sign the CW Title and Escrow holdback agreement. Parties agree to pay a fee for the holdback and state who will pay that fee

WITHIN THE LAND TITLE AND ESCROW HOLDBACK THE PARTIES AGREE TO:

- The funds will not be held in an interest bearing account.
- If they can't agree to a mutual disbursement, funds will then be interplead.

If funds are interpleaded, cost of interpleading will be deducted from the funds held in advance of the interplead action.

CW Title and Escrow reserves the right to request the holdback be held by an attorney/third party.