

# AGREEMENT

This Agreement made the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between First Indemnity of America Insurance Company, hereinafter called Surety: \_\_\_\_\_ hereinafter called Escrow Agent: \_\_\_\_\_  
(Name of Escrow Agent)

WHEREAS Surety, at the request of Owner, has agreed to issue a Sub-Division Bond guaranteeing completion of site improvements at \_\_\_\_\_ hereinafter called project, as required by the responsible agency of \_\_\_\_\_  
(Location of Development)  
Board of \_\_\_\_\_ hereinafter called Board, and  
(Name of Municipality)

WHEREAS the parties hereto are in accord that funds should be set aside and dedicated to the completion of site improvements as required by Board, and in order to accomplish this purpose and in consideration of the mutual premises herein.

It is agreed as follows:

1. The Owner shall escrow \_\_\_\_\_ with the Escrow Agent to complete the site improvements required by the Board and said funds shall be used exclusively for such purpose and no other; further that;
2. Escrow Agent shall act as disbursing agent for Owner and shall make payments from the escrowed funds to such person or persons in such amounts as shall be designated in a written requisition by Owner, which shall be accompanied by a certification from the construction manager, supervising architect or engineer to the effect that the site improvement work for which payment is sought has been completed in accordance with the requirements of the Board and to the Board's satisfaction.
3. Escrow Agent agrees that it will under no circumstances make payments directly to Owner from the escrowed funds except upon the specific written authorization of Surety;
4. In the event that the Escrow Agent receives written notice from the Surety or from the Board, that Owner has failed to complete the site improvements in accordance with the terms of the final approvals granted by the Board, the Escrow Agent shall make the funds remaining in the account available to the Surety to pay for the completion costs of said improvement on condition that Escrow Agent is provided by the Surety with a release of any further liability or responsibility in the matter.
5. It is understood and agreed that the Escrow Agents sole purpose and function with respect to this Agreement is to act in the capacity of disbursing agent in accordance with the terms of this Agreement. Escrow Agent shall have no other responsibility or liability towards the parties hereunder except in accordance with customary and usual laws relating to escrowed funds.
6. It is agreed that the Escrow Agent shall retain the right to terminate this Agreement and its responsibilities hereunder upon 30 days prior written notice to Owner, and the Surety. In such event, Escrow Agent and Owner agree that the remaining balance of the escrowed funds shall not be released unless Surety shall consent thereto.
7. To the extent that any of provisions hereof are inconsistent with the terms of any agreements between Owner and Escrow Agent to the Project, it is agreed that this document shall take precedence.
8. This Agreement shall be binding upon the parties hereto and their successors and assigns shall be interpreted with accordance with the laws of the State of New Jersey.

IN WHITNESS WHEREOF, this agreement has been signed by the proper corporate officers of the parties hereto, and the corporate seals affixed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Surety)

\_\_\_\_\_  
(Escrow Agent)