



Escrow Holdback Agreement

This Agreement is made this _____ day of _____, 20____, by and among:

("Seller(s)),
("Borrower(s)", and
("Lender")

Hereinafter, collectively referred to as the "Parties."

PREMISES:

WHEREAS, Keystone Funding, Inc. disbursed \$_____ pursuant to a certain Note of even date herewith: said Note being secured by a Mortgage of even date herewith encumbering the above described premises (the premises): and whereas, there remains to be completed certain work on the premises (the Work), to wit: FUNDS WILL BE RELEASED UPON COMPLETION OF A CLEAR FINAL INSPECTION OF WORK REQUIRED.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

WHEREAS, Keystone Funding, Inc. included the work as completed in its evaluation of the Premises for the purpose of granting the above described Mortgage Loan. NOW THEREFORE, in consideration of the disbursement described above and other good and valuable consideration the mortgagor, Seller and Keystone Funding, Inc. agree as follows:

- 1. Keystone Funding, Inc. shall hold in escrow _____ for completion of the work and payment of inspection fees (the escrow fund).
- 2. The work shall be completed by the _____ (referred to herein as the "Responsible Party") and inspected by Keystone Funding, Inc. or its agents no later than _____ (The Completion Date). Keystone Funding, Inc. may extend the completion date in its sole discretion but only in writing.
- 3. The costs for inspections performed pursuant to this agreement shall be paid from the escrow fund.
- 4. All work shall be completed in a manner satisfactory to Keystone Funding, Inc. in its sole discretion and to the satisfaction of the Federal Housing Administration and the Department of Veteran Affairs where applicable.
- 5. Keystone Funding, Inc. shall in its sole discretion and after the inspection of the premises disburses the Escrow fund upon receipt of bills, receipts, or invoices, from the seller, contractor, and/or material men as the case may be.
- 6. At the request of Keystone Funding, Inc., the mortgagor shall notify Keystone Funding, Inc., in writing, that the work has been completed in a satisfactory manner. The receipt or non-receipt of said notification shall not however be a requirement for the disbursement of funds as provided in paragraph (5) of this agreement.



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7. Keystone Funding, Inc. shall not be liable for any cost, fees, or expenses incurred except to the extent of the Escrow Fund in completing the Work.
8. If the Responsible Party fails to complete the work by the completion date or any extension thereof, Keystone Funding, Inc. may contract for the completion of the work and pay the cost of labor and materials from the escrow fund.
9. Responsible Party shall remain liable for the cost of all materials and labor used to complete the work and shall keep the premises free and clear of construction liens.
10. Mortgagor hereby irrevocably authorizes and empowers Responsible Party and/or Keystone Funding, Inc., its agents, officers, employees, contractors, or laborers to enter the premises to complete the required work. Mortgagor hereby agrees to indemnify and hold harmless the Responsible Party, and Keystone Funding, Inc., its directors, officers, employees, agents, contractors, or laborers from any suit or claims resulting from their entry on the premises.
11. In the event of threatened or actual litigation relating to the contents of the Agreement, Mortgagor and Responsible Party agree to reimburse Keystone Funding, Inc. for any reasonable expenses incurred including its attorney's fees. Keystone Funding, Inc. shall have a lien upon the Escrow Funds or any portion thereof to the principal of the above-described loan.
12. Keystone Funding, Inc. may in its sole discretion, apply the balance of the Escrow Funds or any portion thereof, to the principal of the above described loan.
13. Any changes in the terms and conditions hereof must be in writing, signed by all parties or their duly authorized representatives.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals as of the day and year first above written.

Seller(s)

Borrower(s)

By: _____
Lender

By: _____
Keystone Funding, Inc.

By: _____
Its: _____

By: _____
Its: _____