EARNEST MONEY DEPOSIT AGREEMENT / ESCROW AGREEMENT (ARKANSAS)

"This Earnest Money Deposit Agreement ("Agreement") is a legally binding contract. If not understood, seek competent legal advice."

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Earnest Money Deposit Agreement / Escrow Agreement

Effective Date:

1. PARTIES

1.1. Buyer: ("Buyer")

Address:

1.2. Seller: ("Seller")

Address:

1.3. Escrow Holder: ("Escrow Holder")

Address: License Number (if applicable):

2. PROPERTY

2.1. The real property subject to this Agreement is located at: Property Address: City: County: State: Arkansas Zip: Legal Description (or reference to): ("Property").

3. REFERENCE TO PURCHASE AGREEMENT

3.1. This Agreement is made in connection with a real estate purchase agreement concerning the Property. (Select one)

☐ This Agreement is an addendum to, and part of, a Purchase Agreement between Buyer and Seller dated .

☐ This is a standalone escrow agreement. No Purchase Agreement has been executed as of the Effective Date.

4. EARNEST MONEY DEPOSIT

4.1. Amount: Buyer agrees to deposit the sum of $ as an earnest money deposit ("Earnest Money").

4.2. Deadline: The Earnest Money shall be delivered to the Escrow Holder on or before 5:00 PM Central Time on . ("Deposit Deadline").

4.3. Form of Deposit: The Earnest Money shall be delivered in the form of: (Select one)

- ☐ Personal Check
- ☐ Cashier's Check
- ☐ Wire Transfer
- ☐ Other:

5. ESCROW ACCOUNT

5.1. The Escrow Holder shall deposit the Earnest Money into a trust account maintained in a federally insured financial institution in Arkansas. (Select one)

- ☐ The Earnest Money will be held in a non-interest-bearing trust account.
- ☐ The Earnest Money will be held in an interest-bearing trust account.

5.2. Disposition of Interest: If held in an interest-bearing account, any accrued interest shall be paid to: (Select one)

- ☐ Buyer
- ☐ Seller
- ☐ Other:

6. DUTIES OF ESCROW HOLDER

6.1. The Escrow Holder agrees to act as a neutral third party.

6.2. The Escrow Holder shall hold the Earnest Money in trust and shall disburse it only in accordance with the express written terms of this Agreement or a subsequent written agreement signed by Buyer and Seller, or upon order of a court of competent jurisdiction.

6.3. The Escrow Holder is not a party to any underlying Purchase Agreement and has no duty to inquire into its terms or conditions.

7. DISBURSEMENT OF EARNEST MONEY

7.1. The Earnest Money shall be disbursed under the following conditions: (Select one or as applicable)

- ☐ **Closing:** Applied as a credit toward the purchase price and other costs payable by Buyer at the closing of the transaction ("Closing Date: ").
- ☐ **Termination by Buyer:** Returned to Buyer upon receipt of a written termination notice from Buyer, if such termination is exercised in accordance with a contingency or right granted in the Purchase Agreement.
- ☐ **Default by Buyer:** Paid to Seller as liquidated damages upon receipt of written notice from Seller certifying Buyer's default under the terms of the Purchase Agreement, subject to any limitations therein.
- ☐ **Mutual Agreement:** Disbursed according to the terms of a separate written agreement signed by both Buyer and Seller.
- ☐ **Other:**

8. DISPUTE RESOLUTION

8.1. In the event of a dispute between Buyer and Seller regarding the disbursement of the Earnest Money, Escrow Holder shall provide written notice to both parties. If Escrow Holder does not receive a mutual written agreement resolving the dispute within 15 days of such notice, Escrow Holder may, at its sole discretion: (Select one or more)

- ☐ Continue to hold the Earnest Money in its trust account until it receives mutual written instructions from Buyer and Seller.
- ☐ Interplead the Earnest Money into a court of competent jurisdiction and shall be entitled to recover its reasonable attorneys' fees and costs from the funds on deposit.
- ☐ Rely upon the written instructions of both parties directing disbursement.

9. ESCROW HOLDER LIABILITY

9.1. The parties agree that the Escrow Holder shall not be liable for any loss or damage resulting from any action or omission, except for that resulting from the Escrow Holder's own willful misconduct or gross negligence. The Escrow Holder shall be indemnified and held harmless by the Buyer and Seller from any and all claims, liabilities, costs, and expenses, including reasonable attorneys' fees, arising from its performance under this Agreement.

10. COSTS AND FEES

10.1. Any fees charged by the Escrow Holder for its services under this Agreement shall be paid as follows: (Select one)

☐ Split equally between Buyer and Seller.
☐ Paid entirely by Buyer.
☐ Paid entirely by Seller.
☐ No fee shall be charged by Escrow Holder.

11. NOTICES

11.1. Any notice required or permitted under this Agreement shall be in writing and delivered to the addresses specified in Section 1. Delivery shall be deemed effective when made by: (Select one or more)

☐ Personal Delivery
☐ Certified Mail, Return Receipt Requested
☐ Commercial Courier (e.g., FedEx, UPS)
☐ Email to the following addresses:
Buyer Email:
Seller Email:
Escrow Holder Email:

12. TIME AND DEADLINES

12.1. Time is of the essence in this Agreement. All deadlines shall expire at 5:00 PM Central Time on the specified date.

13. ARKANSAS-SPECIFIC PROVISIONS

13.1. If the Escrow Holder is a licensed real estate broker in the State of Arkansas, the Escrow Holder shall handle all funds in accordance with the rules and regulations of the Arkansas Real Estate Commission (AREC).

14. ELECTRONIC SIGNATURES AND COUNTERPARTS

14.1. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Electronic signatures shall be deemed original signatures for all purposes.

15. ENTIRE AGREEMENT

15.1. This Agreement constitutes the entire agreement between the parties concerning the holding and disbursement of the Earnest Money and supersedes all prior discussions, negotiations, and agreements.

16. AUTHORITY OF SIGNATORIES

16.1. Each individual signing this Agreement represents and warrants that they have the full legal authority to bind the party on whose behalf they are signing.

17. GOVERNING LAW AND VENUE

17.1. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas. Any legal action arising from this Agreement shall be filed in the county where the Property is located.

18. ASSOCIATED DOCUMENTS

18.1. The following documents are associated with this Agreement: (Select all that apply)

- [ ] Purchase Agreement
- [ ] Seller's Property Disclosure
- [ ] Lead-Based Paint Disclosure
- [ ] Wire Transfer Instructions
- [ ] Other:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BUYER SIGNATURE

BUYER:

Buyer Signature:

Printed Name:

Date:

SELLER SIGNATURE

SELLER:

Seller Signature:

Printed Name:

Date:

ESCROW HOLDER SIGNATURE

ESCROW HOLDER (Acceptance of Escrow):

The undersigned acknowledges receipt of the Earnest Money (or will acknowledge upon receipt) and agrees to hold and disburse it in accordance with the terms of this Agreement.

Escrow Holder Signature:
Printed Name:
Title:
Date:

This form is provided as a courtesy to My State MLS members and is open-source for use by any real estate professional who wishes to use it. THIS IS A LEGALLY BINDING CONTRACT. If you do not fully understand its terms, seek competent legal advice before signing.